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IN THE
Supreme Court of the United States

OCTOBER TERM, 1983

HOWARD ELLIS, et al.,
Petitioners,

v.

BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, et al.,
Respondents.

ALLEN L. FAILS, et al.,
Petitioners,

v.

BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, et al.,
Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

JOINT APPENDIX — VOLUME IV

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(Caption omitted in printing.)

TRANSCRIPT OF PROCEEDINGS
August 1, 1978

* * * *

[28] BY MR. RAUH:

Q. Mr. Kroll, directing your attention to the office of the international president, what is the function of the office of the international president?

A. The international president administrates the union, runs the union, is involved in the hundreds and hundreds of collective bargaining agreements that we have. Just about runs the union five days a week, seven days a week, so many hours a day.

Q. And your services as international president are available to Western Airlines?

A. Yes, they are.

Q. And you just testified that in this last year, they have been very much used by Western Airlines.

A. Certainly. I was very involved in their negotiations for a wage agreement, health and welfare, retirement, et cetera, deeply involved in that. I met with General Chairman Mogg several times on other matters concerning his System Board and Local Lodges, and met with groups of airline members from Western Airlines several times since I have been president, in different parts of the country.

Q. Defining the Plus 1 column overhead Paragraph 22 -- [28-A] those Paragraph 22 items of the Judge's ruling which are not in the political rebate, how much of your time and expenses -- let me finish --how much of your time and expenses would have gone to Paragraph 22 items so defined?

[29] A. Okay.

In reviewing the Paragraph 22 items very carefully, and reviewing my day-to-day functions, and I keep a calendar book that records the meetings and the travel that I have, et cetera. And knowing that -- since I

was elected president, November, 1976 -- when I took over the union, it was not in the greatest of financial shape. I had to replenish the treasury of the union in the sense I had to make a lot of drastic cuts, and I had one heck of a job to do it in regard to re-establishing our financial situation.

I eliminated forty-some jobs from the staff and changed the functions of administration around. I cut the automobiles from fifty-some automobiles to the area of seventeen, and put the vice-presidents in charge of various departments, rather than high-paid staff people, and made all types of -- sold a couple of buildings that we had -- I made all types of changes with regard to finance, so I was first confronted with that situation.

Then I was confronted with the national bargaining, and seeking a wage contract, and health and welfare contract where every railroad employee in the United States that belonged to our union, and I was also sort of the member of a subcommittee representing all railroad workers in the United States with the entire railroad industry seeking this contract; besides that, Western Airlines contract and several other contracts that we had with trucking companies, et cetera, so that I could say totally **[30]** honestly to the Court that in regards to the Paragraph 22 items, I spent very little time on Paragraph 22 items.

The few social-type functions that I ever attended with respect to the union were on weekends or at night, and in regards to the allocating of the ten percent, I felt that to go along with the Court, rather than get into a time-keeping situation or a minute-by-minute time-keeping situation, I felt it was totally impossible--not impossible, but very onerous and tremendously costly to the union--I felt in order to come into the court and adhere to the Court's direction with regards to the Paragraph 22 items, I over allocated and allocated ten percent in order to avoid any type of argument, and this is what I have done, your Honor.

Q. Turning now to International Vice-President Coleman--what is the function of his office?

A. The International Vice-President Coleman, since I was elected president in November '76, International Vice-President Coleman has been specifically assigned to the Western Airline membership. He has worked with Northwest Airline membership, and he has worked somewhat with some of the groups on the Southern Pacific Railroad,

and he has worked with me occasionally on the national negotiations situation.

Q. And does he work directly under your supervision?

A. I can say this: I can sit here and tell you where every one of my vice-presidents are today. They all work very [31] much under my supervision, and I would say there is not -- they at least call me once a week, and occasionally maybe it goes twice, once every two weeks, but I would say I hear from our vice-presidents every week, and I can tell you today just exactly where everybody is.

Q. And what percentage of his time and expenses would be on the Paragraph 22 items as I defined them to you?

A. With regards to Mr. Coleman's situation, with regard to Paragraph 22 items, I would say that knowing what he does, it is less than five percent. But again, to avoid the onerous and costly situation, we allocated ten percent to avoid any argument.

[32]Q. Are Mr. Coleman's services available to Western Airlines?

A. Most certainly, and used by Western Airline people quite frequently.

Q. I think you already testified to that. I won't repeat that.

Item Three, what does the International Vice-President Devlin do?

A. International Vice-President Devlin is in charge of the organizing department, and his department is in charge of going out and organizing the unorganized.

Also, Mr. Devlin is involved, where we do obtain recognition and membership or new properties, Mr. Devlin goes in and negotiates those agreements.

Mr. Devlin also assists myself and other officers of the Brotherhood in respect to negotiating agreements on other properties. He is also in charge of what we call Public Law Board, whereby a neutral referee sits in.

Mr. Devlin used to be the vice-president in charge of Railway Express division. Railway Express went bankrupt and later liquidated, and Mr. Devlin has been very involved in the bankruptcy proceedings and liquidation proceedings and the deals before the Public Law Board with regard to adjudication of employees' claims, et cetera.

Mr. Devlin is also involved in working with the Department of Commerce, the EDP, I think it is, or EDA, in respect [33] to resurrecting Railway Express through loans from the government and private capital put up. So Mr. Devlin has many other duties besides organizing. But again, to avoid any argument with the Court, we allocated a hundred percent with regard to Mr. Devlin, except for that which was already rebatable. So, therefore, we said more or less a hundred percent with regard to Paragraph 22 items.

Q. I don't need to ask whether he is available, because they are all available, but would they be available to Western Airlines?

A. Mr. Devlin has met, and he has accompanied me, in fact, to meetings with Western Airlines members and officers.

Q. Now, turning to Item Four, the office of International Vice-President Fitzgibbon, what does that do?

A. Mr. Fitzgibbon is primarily responsible for what we call the Allied Service Division of the Brotherhood, which is sort of the miscellaneous groups, freight forwarding companies, trucking companies, taxicabs, Disney World, skycap, things of that nature.

Mr. Fitzgibbon, to a lesser degree, is involved in organizing. And that's why I allocated thirty percent with respect to his organizing activities.

Q. Are his services available to Western Airlines?

A. Yes. And I know that Mr. Fitzgibbon is in fairly frequent contact with Mr. Mogg and has worked with Mr. Mogg [34] on various problems and some of his Local Chairmen and System Board officers.

Q. What does the office of International Vice-President Granlund do?

A. Mr. Granlund is assigned to a couple of System Boards in adjustment in the railroad industry, and Mr. Granlund also heads up our Manpower and Job Corp training program.

Q. What would his percent of Paragraph 22 items be?

A. Mr. Granlund's percent of Paragraph 22 items would vary around five percent, based on the knowledge that I have of what he does. But again, to avoid argument and avoid the onerous job and costly job of time-keeping, we allocated ten percent.

Q. Would his services be available to Western Airlines?

A. Yes. In fact, with regard to the manpower and job corp training program situation, although we haven't placed any of these unemployed under-privileged people with Western Airlines, we have placed them in the airline industry, and I know he has worked with Mr. Mogg and some of Mr. Mogg's officers and members with respect to this.

Q. What does the office of International Vice-President Kilroy do?

A. Mr. Kilroy is vice-president in charge of administration, day-to-day operation of the union, and Mr. Kilroy works very closely with me, and I can very certainly state that his functions with regard to Paragraph 22 are below ten percent.

[35]Q. I call your attention to the next item which we put in the chart solely for symmetry's sake.

You were president a full year, 1977, were you not?

A. I was president in the full year of 1977, and we did not fill my vacancy as vice-president until February of '78.

Q. So your vacancy would not appear on either of these charts?

A. Correct.

Q. What does the office of International Vice-President Lynch do?

A. Mr. Lynch is assigned to work with a few specific railroad system boards, and his primary function is to work with those boards in

negotiating and improving upon their rules and agreement. And one of his main functions is representing us at arbitration cases and public law boards in the various tribunals where we have to adjudicate grievances.

Q. And what would his Paragraph 22 be?

A. His Paragraph 22 would be almost nothing, but again, to go along with the court, we allocated ten percent to avoid costly accounting, et cetera.

Q. What does the office of International Vice-President McGregor do?

A. International Vice-President McGregor is in charge of the union in Canada, and he runs the day-to-day operations of the union in Canada.

[36]Q. What would his Paragraph 22 items be?

A. They would be less than ten percent.

Q. International Vice-President Neal's office; what does that do?

A. International Vice-President Neal is assigned to several System Boards in the southeast part of the country on the southern railroads, and his function is to work with them in respect to improving their agreements, policing their agreements, and he does handle one particular arbitration board that we have. And in respect to his Paragraph 22 items, they are almost nil.

Q. But you did allocate something to him?

A. Yes, ten percent.

Q. Now, I think I have overlooked something, Mr. Kroll.

Returning to Vice-President Kilroy, Vice-President Lynch, Vice-President McGregor, and Vice-President Neal--would their services be available to Western Airlines?

A. Well, Vice-President Kilroy -- Neal is my administrative man, and his services are there and used by the people at Western Airlines.

Vice-President McGregor --

Q. I think Lynch was next.

A. Vice-President Lynch is available if needed.

Vice-President Neal is available if needed, and the same with Vice-President McGregor, and I think Vice-President McGregor was used somewhat behind the scenes in the last negotiations on **[36-a]** Western Airlines, because we obtained an agreement for the people working for Western Airlines in Canada, and his expertise in regards to a Canadian Law and Health and Welfare up there, and was vital to us.

[37]Q. Western Airlines runs into Canada?

A. Yes.

Q. And you have employees on Western Airlines who are working in Canada?

A. Yes.

Q. Turning now to Number Eleven, the office of International Vice-President Otero. What does that office do?

A. International Vice-President Otero is assigned to two or three specific System Boards to work with General Chairmen and the membership there with regard to their contracts, but he is also in charge of the International Affairs Department and works somewhat as a liaison between myself and the AFL-CIO. But he is deeply involved in the international affairs situation. And that is why we, with respect to Paragraph 22, allocated one hundred percent, except for that which was already rebatable.

Although he does spend a good deal of time working with two or three specific railroads, again to avoid the minute-by-minute and hour-by-hour timekeeping, I allocated a hundred percent.

Q. And the office of International Vice-President Toppen is assigned to one or two System Boards to work, but primarily his duties are with regard to the health and welfare and retirement field.

Vice-President Toppen is sort of my expert with regard to health and welfare and railroad retirement and other retirement [38] plans that we have in our industries, and basically they are his duties and his item, or Paragraph 22 items are very low, but again, we allocated the ten percent.

Q. Are his services and Vice-President Otero's services available to Western Airlines?

A. Yes, they are, and I can say that Vice-President Toppen worked with the negotiating committee on Western Airlines in regards to their pension improvements that we sought and we obtained, and also in regards to their health and welfare, so he did work with the Western Airline negotiation team.

Q. Turning now to Items Thirteen, Fourteen and Fifteen, there are people described as assistant international vice-president. What do those offices do?

A. Assistant International Vice Presidents Bishop and Norton are assigned to represent the Brotherhood on Public Law Boards where the Mediation Board appoints a referee to hear the grievances, and these two gentlemen spend almost one hundred percent of their time doing that function.

Assistant International Vice-President Smith is in Canada. He does a similar function in Canada, plus he is very involved in the national negotiations situation in Canada.

Q. What would the Paragraph 22 percent be?

A. It would be -- for all three, it would be far less than ten, but again, we allocated ten percent.

[39]Q. What is the Board of Trustees?

A. The Board of Trustees is a group out of the rank and file members, or officers of subordinate units that are elected by convention, or between conventions by the executive council to serve on a Board of Trustees.

In fact, one rank and file member of Western Airlines is a member of our Board of Trustees. Their job is to supervise and audit the funds of

the union, and their job between conventions is to act as a finance committee along with the international president and international secretary-treasurer, to supervise all extraordinary expenses.

For example, if I went to -- which is not an extraordinary expense -- if I want to give a raise to the employees or staff, I have to go to the finance committee for approval, and they more or less oversee the spending of the union.

Q. And they are elected by the convention?

A. And they are elected by the convention.

Q. I will not ask you about Paragraph 22, because Mr. Robinson, the chairman, will be here.

Turning now to Roman Numeral II on Exhibit B, Attachment VI; what does the Industry Relations Department do?

A. Industry Relations Department is broken down into two sections. One section is the grievance section, which a staff of our people monitor, awards of various referees with regard to the transportation industry that we're in.

[40] When rank and file people write in to the international headquarters with regard to a problem in respect to their particular working contract, these people look up that contract. They correspond back, give advice. Many times it's by phones, and sometimes it is by mail. They work with the general chairman. When the general chairman cannot resolve a case with is [*sic*] particular company, he brings that case into our Grievance Department, and they review it with them. They tell him, "Well, it's a good case, it's a bad case." If it is a bad case, they more or less tell him not to cry wolf too many times, to forget the case.

If it's a good case, we help them prepare the case for the various tribunal it will go to.

Then you have -- besides the Grievance Department -- then you have the Rules Department, and the Rules Department is one of the key departments we have.

This group monitors and analyzes all types of contracts that are settled throughout the United States so that when we go in to negotiate, I can almost tell you verbatim just what steel got, what auto got, what the mechanics, machinists might have got, then various airlines, et cetera. It is with regards to wages, health and welfare, and so forth, so that these people are constantly updating our files in regard to contracts analysis.

They also work very heavily with the general chairman in helping in improving upon his own working rules, agreements. And also a part of that Industry Relations Department are experts that [41] we use in regards to arbitration cases and if we had a serious case.

In Western Airlines not too long ago where the jobs of a hundred and thirty people were in jeopardy, and one of my staff, Jack Fletcher, who is an expert in arbitration went and argued the case, and we were successful in saving the jobs of these hundred and thirty people in Western Airlines, so that department is a key department.

[42] MR. RAUH: Again, your Honor, we will have another witness testify.

Q. The next item, Social Insurance, what does that department do?

A. The Social Insurance Department is the department that works under Mr. Toppen, the international vice-president, and, again, handles the problems of our rank and file people throughout the country in regards to the particular health and welfare contract that they are under or the particular pension plan that they are under, et cetera. Basically, that is what they do.

Q. What does the International Affairs Department do?

A. The International Affairs Department works in conjunction with -- very involved in the United States State Department, and we are members, our organization is a member of the International Transportation Federation, which is a Congress of all transportation unions throughout the world, and a good part of the expense of that department is subsidized by the United States Government.

It's important, and we are encouraged to remain in that function because when you go throughout the world, many of our transportation unions are Communist and we are there constantly to rebut the Communist thrust. We are there to sell the way of the American system, and

I can remember just a few years ago in Stockholm, Sweden, at a convention I was at, at the ITF Congress, where the Communist delegates, or the people who were left-wing **[43]** delegates, tried to call for a two-day strike of all transport workers throughout the world in support of the overthrow or support of Allende who was overthrown in Chile, and it was Mr. Otero, our vice-president, who took the floor at that convention and pointed out that the American people, the American workers were governed by certain laws, that we could be subject to violations under the laws of the United States. And also very clearly pointed out that the workers in South America, the two particular days they were calling for a strike, were paid holidays. So it was only the American people and the Europeans who would be suffering, but it's something that we feel is a real necessity and --

Q. What did you do about the Paragraph 22 percent?

A. We made them one hundred percent except that which was already rebated.

Q. A hundred percent you allocated to Paragraph 22?

A. Yes.

Q. Now, turn to the research and education, what do they do?

A. Research and education works in conjunction with the Industry Relations Department in respect to keeping a library and doing research work, and one of the primary functions is putting on educational programs where we train our particular, teach our Local Lodge officers how to handle grievances and how to better represent the people that they represent, and how to **[44]** protect them in discipline investigations and hearings and things of that nature.

Q. Are those services available, Mr. Kroll, to Western Airlines?

A. Yes, they are put-on programs, and I would say people in Western Airlines have attended the educational programs.

Q. What is that railroad patrolmen item?

A. Several years ago the railroad patrolmen had their own union. They merged into our union, and I believe that figure of sixteen hundred

eleven dollars is a part of the agreement of merger, and it's a part time salary to several patrolmen, officers, to handle the grievances, et cetera.

Q. And what percent of that goes to Paragraph 22?

A. None.

* * * *

[45]Q. The National Negotiating Committee--what does that do?

A. By virtue of our constitution, we have a National Negotiating Committee for the railroad industry, and certain vice-presidents and general chairmen are members of that National Negotiating Committee along with myself, and we are involved in the negotiations of the railroad industry.

Q. And what percentage of that would be allocated to Paragraph 22?

A. None, zero.

Q. And the Canadian Negotiating Committee?

A. The Canadian Negotiating Committee in Canada negotiate their railroad contracts on a national basis, and pursuant to the Canadian portion of the constitution, they have a negotiating committee made up of full-time and part-time officers, and they are involved in the negotiations in Canada.

Q. And what Paragraph 22 activities would they have?

A. None, so we have allocated zero.

Q. The next item is the Harvard Trade Union Courses where there were no expenditures for '77, but would you explain what it was since there have been expenditures for other years?

A. The Harvard Trade Union Courses; the University of Harvard puts on a thirteen-week course -- I believe it is thirteen weeks -- where both labor and management people attend this thirteen-week **[45-a]** course, and they are instructed in respect to collective bargaining processes and problems that you can reach in collective bargaining, how to reach them, et cetera, and it is a combination of both management and labor. And in the past we have sent representatives of our union to that university.

[46]Q. But none went in '77?

A. No.

Q. What is the manpower training item there, Mr. Kroll?

A. Manpower training is that we enter into contracts with the United States Government to train hard core unemployed, underprivileged people between the ages of eighteen and twenty-one, and we have -- our union operates about eight training centers in the United States, and these hard core unemployed are referred to us by various agencies and we take them in, and it's roughly a fourteen-month course. We train them in hygiene. We train them in dress, in mannerisms, and we teach them specific trades that fall within our industry, such as typists, reservation clerks, ticket clerks, computer work, and things of that nature.

And then after the fourteen-week course, we endeavor to place them in industries primarily where we represent people, and get them off the rolls of welfare and unemployment and make them contributors to our society. And I would say that of the people that attend the school, we place about ninety some percent into jobs, and the retention rate after one year is something like seventy-nine point one. I think it's the highest retention rate of any government project such as this.

Q. This is a government project?

A. A government function, yes.

Q. And what Paragraph 22 items would there be here?

A. None.

[47]Q. Would you explain the International President's Bulletin?

It has an "N.A.," for not applicable, in '77, but there were some other expenditures. What is the International Presidents Bulletin?

A. The International Presidents Bulletin is a publication that we put out four times a year, which highlights various awards we have received from the various referees or arbitrators throughout the country in the various industries that we represent, and it also -- we publish their rules, contract agreements that were signed with various railroads or airlines

throughout the United States. And it is more of an educational thing for Local Chairmen and Lodge officers and general Chairmen. They can use these cases as precedents, et cetera.

[48]Q. Mr. Silard asked me to go back to manpower training. Why do you do it?

A. Well, to be very honest with the Court, over the years sometimes labor gets an unfair taint, and we feel that besides the representation of our people, that we should also have somewhat of a social conscience, and you have a critical unemployment situation in the United States, and particularly of minority groups, and we feel if we can get these people off the rolls of welfare and unemployment and show them what they can do in society and be a part of society rather than just take from society, they can be contributors to society.

* * * *

Q. Have large number of the people so trained been hired by the employers you deal with?

A. Yes.

Q. Turning now to Professional Services--what are they?

A. Professional Services is the accounting firm that we use. It is the people that we use in respect to negotiations whereby we retain economists who can, to the best of their ability, predict inflation, and things of that nature. Health and welfare [49] experts, pension experts, and things of that nature.

Q. And how much of that is attributable to Paragraph 22 items?

A. None.

Q. Turning now to III. What is the Administration Department?

A. The Administration Department is the department that works under me in respect to the everyday administration of the union and the necessary housekeeping functions that are entailed in operating an organization.

Q. And what percent of that would go for Paragraph 22 items?

A. Well, the Administration Department is practically my immediate staff, and knowing what my functions are, and what the functions of my immediate staff are. At the review I conducted, I felt it was far less than ten percent, but again, to avoid the onerous bookkeeping-type situation, which would be costly, and to avoid argument with the court, we allocated ten percent.

Q. The item Administration-Washington; what is that?

[50]A. Administration-Washington is really my administrative assistant in Washington who works almost every day with me.

Q. And what would his activities in Paragraph 22 be?

A. His activities with regard to Paragraph 22 are far less than five percent, but we allocated ten.

THE COURT: Doesn't he do a little lobbying?

THE WITNESS: Not this individual, no, your Honor. We have a Legislative Department that is headed up by a National Legislative Counsel, Jim Kennedy, and Mr. Kennedy has a staff, which Mr. Costa is not a part of, and the lobbying is done by Mr. Kennedy and his group. And if you met Mr. Costa, you'd recognize that he is not a lobbyist.

MR. RAUH: If your Honor please, Item 66 is the Legislative, and we will get there.

THE WITNESS: Really, your Honor, what Mr. Costa does is handle a lot of my appointments and takes care of the airline tickets and keeps records for me and files and things of that nature.

BY MR. RAUH:

Q. Now, there is an item on here, thirty-three, the Philadelphia office, with a statement, "Not applicable." What is the explanation for that, Mr. Kroll?

A. When I was a vice-president, I had an office in Philadelphia, and I had a staff assistant, and as I became president, the staff assistant

remained for a few months, but it [51] was more or less eliminated in 1977. Although I do work frequently out of the Philadelphia office, it's a System Board office, and it's the former unit that I was former general Chairman of. And the Conrail headquarters is in Philadelphia, which is about one-fifth of our railroad membership, so I do spend a bit of time up there, but there's just no charge for it.

Q. The Montreal office. What does it do?

A. The Montreal office is our administrative office in Montreal which contains some of the officers and staff people, and they handle the administrative and necessary housekeeping functions of Montreal, Canada.

Q. The Canadian Executive Council Administration. What is that item?

A. Pursuant to the Canadian portion of the Constitution, they have an executive council of their own, but it's really superseded by the International Executive Council, but they have an executive council of their own.

Q. And what Paragraph 22 items would there be there?

A. None.

Q. Drawing your attention to Item Forty-Five, annuities. What is that?

THE COURT: You are skipping to forty-five?

MR. RAUH: Yes, your honor. I have on the chart up there, as you can see, Mr. Bobo and Mr. Howard are going to deal with those.

[52]We intend to fill it in, sir.

THE WITNESS: Item Forty-Five, annuities.

A portion of that, many, many years ago convention delegates of the convention voted in favor of then President George Harrison, that when he would die, his wife would receive an annuity, and that is a portion of it. And then when we merged other unions into our union, for

example, sleeping car porters union, by their own convention action, previous years, they had provided annuities for like A. Phillip Randolph, who was the former president --

THE COURT: For years and years.

[53]THE WITNESS: And through the merger, it was our obligation to maintain the pension, and he is still alive.

BY MR. RAUH:

Q. What would your Paragraph 22 items be there?

A. None.

Q. Separation Allowance: what is that item?

A. Separation Allowance was when Mr. L. E. Dennis separated from the union.

THE COURT: What item is that?

MR. RAUH: Forty-seven, your Honor.

Q. And what was the Paragraph 22 aspect there?

A. None.

Q. Turning now to IV, Item 60. What are those Labor Affiliations?

A. Those Labor Affiliations are affiliations with AFL-CIO, United States, the Canadian Labor Conference of Canada, and these are monies -- are per capita tax that we pay to those groups and certain departments of the AFL-CIO and an organization called the Railway Labor Executives Association, and associations such as that.

Q. And that is all rebated under the October 6, '75 plan?

A. Yes.

Q. So there is nothing there for the Paragraph 22?

A. Yes.

Q. It is all being paid back separately?

[54]A. Yes.

Q. The next item is the Convention. What is the Convention?

A. The Convention -- we hold a convention every four years, and that item of monies there was probably monies spent in regards to our staff going to the city that was selected and negotiating with the various hotels and convention centers, and things of that nature. And we allocated all that to Paragraph 22.

Q. What is the Death Benefit?

A. Death Benefit is something that has been going on for many, many years in the union, and a portion of the dues goes into the Death Benefit Fund, and I believe it started in the years of the Depression when it was tough for people to bury somebody, and so forth. And today, when an individual -- a member dies, they get three hundred, and that is from the Death Benefit Fund, and we allocated all that, except anything that was rebatable. We allocated all that to Paragraph 22.

Q. And the item of Organizing; what is that, generally?

A. Organizing is the Organizing Department. Its primary responsibility is to go out and organize the unorganized. However, I can say we use organizers to assist some of the general chairmen.

The organizers are more or less experienced people who have come up through the union and sometimes they assist the general chairmen in negotiations with regards to contracts and properties.

[55]Sometimes if local chairmen are having problems, we send them in to assist the local chairmen in regards to helping police the contract, et cetera, but again, to avoid any argument, we allocated the whole hundred percent to Paragraph 22 except that which was already rebated.

Q. Are the organizing activities available to Western Airlines?

A. Yes, I can say that they have been in use on the West Coast with the Western Airline general chaiman and some of his officers.

Q. Are the death benefits available to Western Airlines?

A. Yes.

Q. Are there convention delegates from Western Airlines?

A. Yes.

Q. Turning now to the Official Publication: what is that?

A. The Official Publication is the Railway Clerk Interchange, but we also put into the publication the President's Bulletin.

But the Railway Clerk Interchange is the magazine that we put out ten times a year, and I can honestly say there is a good bit of collective bargaining items in it, because we have had a tremendous difficulty this year in negotiating a national contract with railroads, and we had problems in the Western Airlines contract, and we had to keep the people abreast, and it was through the magazine that we were keeping them abreast of what the problems are.

[56]However, because of some picture of retirees and pictures of some social function or pictures of lodge meetings, your Honor, we have allocated the whole thing except that which was already rebated.

Q. What is Disaster Relief?

A. Disaster Relief Fund is where a portion of dues goes -- it is actually a fund -- in that when we had some serious calamities in the United States -- Hurricane Agnes, floods in the Midwest or on the West Coast where members' houses were lost, or a good deal of their possessions were lost, we then had the Disaster Relief Fund have an investigation and give these people money to get started back up again, to help them buy furniture, clothes to put on their back, and help them through this very trying time.

Q. And what percent of that was allocated to Paragraph 22?

A. One hundred percent.

[57]Q. Item Sixty-Six, Legislative. Would you explain that as against the Washington office item that you referred to before that the Judge asked you about?

A. Yes.

The Legislative Department is located in Washington, D.C. It's headed up by our National Legislative Counsel and his staff, and this is the group that works on legislation that is sometimes pending or being introduced in the United States Congress or the Senate.

It can have an effect on railroad or airline employees.

I would say in the year of 1977 the Legislative Department was very involved in the airline industry because of the airline deregulation bill, because of the noise abatement bill, and we did a lot of lobbying. Our legislative people did a lot of lobbying with regard to the airline industry in 1977.

They also work with the Secretary of Transportation. They work with the Civil Aeronautics Board. They work with the Federal Railroad Administration, with regard to programs and policies and orders that the various government agencies put out, although some may disagree. A lot of the things they are involved in, and do have an overflow in respect to collective bargaining, but again, we have rebated the whole hundred percent.

Q. That is under the October 6, '75 plan?

A. Yes.

Q. Mr. Kroll, you will notice at the bottom of each of the [57] four tables that I have put up on the chart, and that are Attachment Forty-Five, at the bottom of each of the four tables appears a figure representing collective bargaining for Western Airline members.

Could you explain these figures for us?

A. Well, what we did here was we figured out the total collective bargaining costs, say, for the first attachment. As an example, Attachment One. We figured out the total cost of the collective bargaining for 1977, and then we took one point nine, which is the airline membership in

our union. We took one point nine of that total and arrived at, hypothetically, that figure of sixteen thousand six hundred one dollars in Attachment One, and we more or less said for purposes of allocation, that is what is allocated for the Western Airlines people for collective bargaining in regards to the officers of the union. Attachment One.

But I can say that the services of the entire collective bargaining setup is always available, your Honor, to the Western Airlines people, and I can say, your Honor, that, for example, it may vary from year to year, but in the year 1977, in all the preparation for the collective bargaining agreement on Western Airlines, I can say accurately we exceeded -- knowing the work that my people have done, we exceeded the sixteen thousand dollars, but it would vary from year to year.

But again, to try to show the Court, we have said that **[59]** here's the collective bargaining costs and the Western Airlines is one point nine of the membership, and we took one point nine of the total figure of the collective bargaining costs, and the resulting figure is what we allocated or proportions for the Western Airline people in regard to collective bargaining.

Q. And that is equally true of II, III, and IV?

A. Yes.

* * * *

(Caption omitted in printing.)

TRANSCRIPT OF PROCEEDINGS
August 8, 1978

* * * *

[776]Q. President Kroll testified the first day of this trial that these tables, B and C, also known as Attachments V and VI, were a joint product of work by himself, Mr. Bobo and others including yourself.

Did you participate in the preparation of these tables?

A. Yes, I did.

Q. Turning to the column labeled costs, every page has a column with cost figures in it. Did you prepare and supply all of those figures?

A. Yes, I did.

Q. What were the records that you consulted in supplying those figures?

A. Our year-end financial statements.

[777]Q. Were those the only records you consulted?

A. For the costs, yes.

Q. Yes.

Those statements are in evidence as Defendants' BT, as in Tom, and BW, as in Walter.

Turning to the first table, the one already upon the easel there, what do the cost figures represent?

A. Salary, travel expense, the proportion of fringe benefits for those individuals or department heads.

Q. Are those the only costs associated with those officers there?

A. Yes.

Q. How did you determine the amount of fringe benefits?

A. The fringe benefits amounted to approximately 35 percent of the total salaries. I applied that radio against that particular salary or department and added that to it.

Q. Turning now to the second table in the 1977 chart, I observe, in addition to the cost figures, you are also scheduled to testify on a couple of functions in Paragraph 22 allocations. We will start with the cost figures.

Again, exactly what do these cost figures represent?

A. In items 17, 18, 19, 20, 21, 22, 24, and 26, they represent salary, travel expenses, fringe benefits.

Q. Is that also true of No. 25?

A. 25, there was no expenses this year.

[778]Q. In the remaining three, the bulletin where there were no expenses, professional expenses, and membership, do those lines include any personnel costs?

A. No.

Q. We will now turn to the items where you will testify about the function of the Paragraph 22 allocation.

The first one is Line 18, social insurance, what exactly is that?

A. That is the salary, fringe benefits and travel expenses for a secretary and an assistant who worked with International Vice-President Toppen, who is in charge of the social insurance program.

Q. And the Paragraph 22 allocation?

A. There were none. I believe that in the earlier testimony, International Vice-President Toppen was allocated a part of the salaries, fringes, because of his work as International Vice-President and not his connection with his health and welfare work.

Q. And the people who worked for him?

A. Are not engaged in any type of Paragraph 22.

Q. The next line that you are to testify on is Line 22, REA O'Hare. There is a very small expense and I think I will hold the major explanation of what that is about until we get to 1976 and state the figures there.

Could you say, briefly, what the $37.84 was?

[779]A. It was a payment to the former REA employee. I am not really sure what purpose. Apparently, somebody performed some service and we reimbursed him.

Q. The next one is Line 29. That is on the next page of the small-sized exhibit, membership protective.

A. There was no expenses this year. There were small expenses, '76, in that category.

Q. And the one in '76 was for --

A. Payment of about a hundred dollars to an arbitrator, I believe a gentleman by the name of Rubenstein.

Q. Well, go now to the third chart.

Here again, you will be testifying about all the cost items and a number of the individual items on the first column. Again, what areas of expenditure do the cost figures represent?

A. Items 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, and 47 -- 48 -- all represent salary, fringes, and travel expense for those particular departments.

The balance of the items are non-salary items.

Q. Would you tell us about the item on Line 33, Montreal Office?

A. That represents the staff and clerical employees who work for International Vice-President McGregor in our Canadian office.

Q. What was the Paragraph 22 allocation for them?

[708]A. There were no Paragraph 22 allocations, in that their function is to assist in collective bargaining in Canada. The other employees who might be engaged in this are charged to the organizing fund and that would show up later as completely Paragraph 22.

Q. Do these Montreal employees do such things as maintain membership records?

A. Yes, maintain membership records and assist in the administration of the collective bargaining agreement in Canada.

Q. Line 36, data processing, I believe you testified that you are the head of that department?

A. That is right. That represents the cost of employees of that department.

Q. What does that department do?

A. They are all engaged in running our computer department, I mean, it represents the key punchers, the programmers, system analysts, computer operators, other assistants, and clerical employees.

Q. And the Paragraph 22 allocation?

A. In regard to Paragraph 22, I took the activities of it for a period of key punch operators and analyzed the work being performed by them, and then, since the total output of a computer department is reflected by what is being input, I broke those into various categories, and from them, determined the time that **[781]** they spent arriving at the percentage of time, Paragraph 22, and the percentage that was not Paragraph 22. I arrived at a figure of seventeen and a half percent and I applied that to the totals for the department and arrived at $35,000 in Paragraph 22.

Q. Next line, 37, comptroller?

A. That represents my salary, and assistants of the staff, assistants that work for me, secretary and clerical workers, and in arriving at Paragraph 22, those persons working for me in this area with the exception of myself do not have any Paragraph 22 functions. So that I took my

salary, fringes, and travel expenses, and applied the same seventeen and a half percent to that and entered that as Paragraph 22.

Q. Line 36, the transfer allowance; what was that?

A. The Brotherhood has a policy of paying a transfer allowance to anybody being transferred to cover. I believe we refer to it as lace curtain money which is to cover expenses that a person will incur. The most of our contract applied to each person will be given a flat allowance for moving.

This is what this represented, plus the travel expenses for, I believe, it was four people who had gone to Rockville, Maryland, to look for new homes. It was the policy of the Brotherhood that people were given -- were allowed a trip at the Brotherhood expense to try to locate a new home through the transfer of our organization and we wanted to segregate all of these **[782]** costs so that we could determine at the end of the move what total costs were involved in moving from Chicago to Rockville.

Q. Line 48, pension prior service funding?

A. In 1969, the Brotherhood of Railway Clerks and Transportation and Communications employees effected a merger and under the provision of this merger, the employees choosing to transfer to Chicago became covered by the Staff Retirement Funds of the Brotherhood of Railway Clerks, and in addition, each person transferring was given prior service back to the date of their first full-time employment with the Transportation and Communications Employees Union.

This occurrence from the standpoint of our staff retirement fund caused an actuarial problem and this past service has been the funds under the terms of the agreement of the Brotherhood of Railway Clerks, the funds in the past, we have been paying this all yearly.

Last year, we were in the position to clear this debt up, and that represents the final payment on past service for the Transportation and Communications Employees Union.

Q. The Paragraph 22 allocation?

A. None.

Q. Line 49, auto expenses?

A. That represents the cost of the leased automobiles held by the officers of our union, and the gasoline and oil, repairs, [783] and insurance.

Q. And the Paragraph 22?

A. From that we have deducted $7,000 which represented their reimbursement for personal use.

Q. The Paragraph 22 allocation?

A. It was twenty-two and a half percent arrived at by taking the sixteen percent holding the car. I figured out from our prior schedule what percentage of their time had been characterized as Paragraph 22, arrived at a total percentage out of a total of 1600 percent that was available, arrived at a percentage of twenty-two and a half percent.

Q. There was a mistake in the Magic markings on the big chart, Line 51, depreciation. Mr. Howard is handling that category.

Can you tell us what depreciation is?

A. Yes. It represents the depreciation on office furniture and equipment at our various locations.

Q. I believe there is a subschedule?

A. There is a subschedule on that.

Q. Do you have it there?

A. Yes, Item 51.

Q. Could you look at the various categories there, just tell us why you made the Paragraph 22 allocation you did?

A. The first item was the Washington office. In our Washington office, we have activities of the International President, [784] the International -- our International affairs operations and the Legislative Department, since the operation should be international, our International funds and the Legislative Department are a hundred percent Paragraph 22. I

took two-thirds as being Paragraph 22 and one-third as not.

On the O'Hare, that represents the cost of depreciation and equipment at O'Hare. The nineteen and a half percent was arrived at by using the same percent.

THE COURT: The same percentage as on the building expenses?

THE WITNESS: Right.

The Montreal office, Philadelphia office, Omaha or Laurel, those of the offices of various International Vice-Presidents who have been previously allocated as 10 percent. The item marked New Jersey represents the office of the Vice-President Devlin, who is the head of the organizing department and is a hundred percent Paragraph 22.

BY MS. LEVY:

Q. The next line, back on the main chart, is Line 52, insurance?

A. That represents the cost of fire, burglary, workmen's compensation, and also a legal-type fidelity bond.

Q. What is that for?

A. It was a bond that was purchased to pay the legal expenses of any officers or employee who might be sued while **[785]** in performance of that duty as an employee or officer of the Brotherhood.

Q. What was the Paragraph 22 allocation?

A. We use an allocation of twenty percent. We felt that primarily was an administrative cost, which had been previously distributed at a rate of ten percent, but due to the fact there were officers and employees covered under this particular plan, whose Paragraph 22 were higher than that, we doubled the rate, figuring that would adequately cover the Paragraph 22 cost.

Q. The next item is office expense. There is also a subschedule for that item. Could you tell us what that is and how you made the Paragraph 22 allocation?

A. The total costs there represent the basic office expenses, the telephone, postage, office rental, and so forth, to the Brotherhood, and the exhibit then will break these down into various categories and their distribution.

Q. Why don't you go through the items, the given percentage, and tell the Court why that particular percentage is used?

A. On the rent, for office equipment, for example, the two items marked Rosemont, IBM and Rosemont, others, the IBM equipment, previously, the salaries have already been distributed at seventeen and a half percent. The others represented other leased equipment, Xerox equipment, building and purely used as an administrative purpose at ten percent. The Washington office, **[786]** this was a little different than the depreciation, the leased office equipment here represented only that used by the International Affairs and the President, so we split it fifty percent.

The equipment rental for the Legislative Department had been charged to that particular fund, a hundred percent characterized as Paragraph 22.

Montreal, again, it was distributed on the same basis as we did International Vice-President McGregor, ten percent on the repairs. Rosemont repairs were distributed at ten percent. Again, Washington was split 50-50 with International Affairs.

Q. All right. I believe we see the same offices and percentages as we go down the line until we get to dues and subscriptions, industrial relations, the very last line on that page?

A. Yes. And that industrial relations has no Paragraph 22 functions, and, therefore, any subscriptions that they may have would be non-Paragraph 22.

[787]Q. Going to the second page of the subschedule, the next item is research and education and there you used a Paragraph 22 allocation of twenty percent.

A. And I believe that twenty percent was used the same as the percentage that we used in allocating their salaries.

Q. Going down to the item, rent, why were you paying rent at Rosemont?

A. In 1977 we sold the building in Rosemont, Illinois, and became a tenant of the persons who purchased it and that represents the rental payments for approximately three months, I believe.

Q. Then in the last --

A. We used the same distribution there as we did on the building before.

Q. On the last category, miscellaneous office expenses, there are some offices that have not previously appeared in the subschedule. Could you tell us what those are and why the particular allocation you made was given?

A. The one marked third division represents the office of the staff member of the organization, Mr. Jack Fletcher. Jack Fletcher heads up our railroad board in Chicago. It's an arbitration-type board and he presents those cases which have not been satisfied, had not been handled either at a lower level, that is, in relationship between us and the carrier. That final step in handling these grievances is this third division board which [788] represents the clerical employees on the railroad. That's the cost of his office. It has no Paragraph 22. It's all collective bargaining.

Q. And then there's Cupertino.

A. Vice-President Coleman lives there, which I understand is near San Francisco and he operates out of his home.

Q. And the ten percent: Is that part of his allocation?

A. Yes, it does.

Q. Philadelphia, I think we have had before.

REA?

A. REA is -- in 1976 the Railway Express went bankrupt and at that time we closed out the System Board representing those persons. At the same time their treasury was turned over to the Grand Lodge. That didn't terminate necessarily the work that's involved in handling -- their office expenses are separated and put into this category. They have no Paragraph 22. They are caused by our representation of the people in the

REA, former REA Division.

Q. And then there is a group of cities here: Omaha, Laurel --

A. Omaha is the office of Vice-President Granlund. Laurel is the office of Vice-President Lynch. Roanoke is the office for Vice-President Neal.

There is no figure in Florence but previously we had a staff employee who resided in Florence, South Carolina.

And Manpower, I believe, we have discussed before. That's [789] cost involved in a Manpower Training Department.

Q. The final item is interest expense, IBM. What's that?

A. We decided that it would be more economical to buy our computer system rather than to continue renting it, so we have purchased it from IBM, and that represents the interest expense payable to IBM.

Q. We are back on the main chart again at Line 54, membership services. What are those?

A. Items such as membership cards, lodge supplies, twenty-five-year pins, scholarships.

Q. And I notice that there is some money rebated under the political and charitable rebate system of the union itself. What about Paragraph 22?

A. Exclusive of the amount that has been rebated, there were no other Paragraph 22 items in there.

Q. That finishes us with this chart. I will put up Chart IV, now.

Again, you supplied the cost figures on this?

A. Yes.

Q. I think that because we are getting into the other funds of the Brotherhood here, we will take each cost item line by line as Mr. Howard explains the functions.

The first line is Line 56, general fund, other expenses, and there is a subschedule for that also.

Would you tell us about that?

[790]A. Yes. The subschedule outlines the items that are contained in this category, that is, donations, refunded dues, disaster relief, banquets and lunches.

There were in 1976 speaker honorariums; none in '77.

There are some miscellaneous expenses which did not seem to be appropriately charged to any place else and they were placed into the miscellaneous category.

There is an item for foreign travel, and then there is one big item for the Interfund Service Charge, Canada.

There are -- I would first say there are no Paragraph 22 items in this category. There are, of course, a large amount of rebate items. The one item I think that is unusual is this Interfund Charge. Within our accounting system we have built in a system covering Canada so that we can segregate our operations in Canada from those of the total operations of the Brotherhood. At the end of the year we then go through and charge Canada for certain overhead items which we believe they should pay for such as the president, the international secretary-treasurer, much of his department, data processing, and so forth. So that what, in effect, happens is we are showing on our expense distribution a cost of the services because we are charging them to Canada. We are also showing in our income statement a similar amount of income to the United States from the Canadian operation. It had always been felt in the past that we were not able to properly draw a line between what was being done with the money **[791]** in Canada and what was not, so we built within our system a Canadian accounting system and they are given monthly statements on the expenditures and receipts in Canada alone.

Q. Back up to the main chart, Line 57, legal -- would you tell us what those costs cover and how you make the Paragraph 22 allocation. There is also a subschedule for legal.

A. I think the subschedule itself lists the items that are in this legal. It represents the salary fringes, travel benefits of our in-house counsel and

their staff. It represents the professional fees being charged for outside counsel, consultants, some labor affiliation, arbitration expenses, strike benefits.

In regard to the salary fringe benefits and travel expenses, the Paragraph 22 items were arrived at by an examination of the reading files for the legal department for the months of March and April of '78.

Q. Did you do that examination?

A. Yes, I did.

Q. What did you do when you examined them?

A. I went through their reading file and made a determination in looking whether this was an expense for collective bargaining or whether it wasn't, and after I had finished going through and making my judgments, then I discussed with our general counsel and his assistant, Mr. Hirsh, my feelings in this matter, and in some of the cases, they said that, "No, you don't understand this, and this is something else," and this maybe was litigation where **[792]** I had thought it was negotiations.

So after arriving at that, I took a count of the numbers of letters written for the two months, arrived at a percentage, applied it to the salary, and fringe benefits, and made the appropriation between 22 and collective bargaining.

Q. You also allocated Paragraph 22 costs to the professional fees. On what basis did you do that?

A. I went through the legal expenses for the year, case by case, and again, following the same procedure as I did then, determining whether they were litigation expenses, negotiations, or so forth, and then after I had made my distribution, I went back to the legal department and said, "Is my understanding of these completely right?" And there were cases where they said, "No, you are not right," and so after we did that, I had then a dollar figure and the dollar figure represents what we calculate to be Paragraph 22 and what wasn't.

Q. Consultants: There is no Paragraph 22 cost listed. Who are the consultants?

A. Well, the bulk of that particular year was the review board that was set up by our expense account discussion that we had in, I believe, San Francisco. We asked for a Public Review Board for the rebatable items. I think there are three members of that and each get $1,000 in a year, so $3,000 of that --

Q. By that you are referring to the Public Review Board?

A. Yes.

[793]Q. That review board would review, if asked, a political rebate amount; is that correct?

A. That's right.

THE COURT: Governor Brown --

THE WITNESS: Governor Brown --

MR. HIRSH: -- Mentschikoff and Bradley.

THE WITNESS: The balance of that was a legal fee which occurred in connection with our -- I think it was the final part of a fee in our September meeting of the executive council at which time President Dennis resigned.

BY MS. LEVY:

Q. The next big item is labor affiliations. That's a little odd because thirteen thousand eight hundred is listed twice and there's a minus item under collective bargaining.

Can you explain to the Court what happened here?

A. Yes. There were $22,440 worth of expenses in this category. $13,800 were of a rebatable nature and had been included in the rebatables. It has been reported. The balance of it was payments to the Canadian Arbitration Association which were collective bargaining but in putting the chart together, it was listed as Paragraph 22 and also as rebatable, since it was of a minor, would have a minor effect, and it would not have reduced the Paragraph 22 costs, we just left it alone.

Q. It increased the Paragraph 22 costs?

A. Yes, it increased the 22 costs by thirteen thousand.

[794]Q. There was no harm done the plaintiffs.

Arbitration and strike benefits speak for themselves.

Could you explain what the third division of awards is. There were some in '76, I believe.

A. There is a gentleman in St. Louis that takes the awards of this third division and puts them into order and it's kind of like a service that he sells and we buy this service from him.

* * * *

[882]MR. SILARD: So we will go all the way through, then, when we finish these twelve items on the chart.

Q. Now, Mr. Bobo, am I correct that we have asked you to testify as to twelve of the departments or functional categories on this overall chart for Grand Lodge for 1976 and 1977. Most of those are under your jurisdiction; is that correct?

[883]A. That's correct.

Q. And I think we'll start with your own department, IST department, which is Item 35 on this chart.

MR. MERRILL: Are you doing 1976 or 1977?

MR. SILARD: We will do 1977.

Q. First, will you please tell us what the department does under your direction?

A. The IST department is under my jurisdiction and supervision. The IST department receives all monies due the Grand Lodge, pays out all the funds upon approval of the international president.

The international secretary-treasurer's department has several departments within the IST department. For example, the cashier's department, the comptroller, the data processing, MR-1 per capita tax, death benefits, audit and bonding, administration. All of these departments operate under my jurisdiction and supervision.

In addition to that, we have approximately 900 secretary-treasurers in the field in the lodges and System Board who communicate with our office almost daily for advice and information and we handle their problems.

Q. In general, Mr. Bobo, are the services of the IST department and those others mentioned -- cashier, comptroller, data processing, and the others -- available and made available to Western Airline members?

[884]A. Yes, they are. They are made available on an equal basis.

Q. Now, have I asked you to examine into your own work and that of the people directly under you in the IST department and to testify to the maximum that the totality of that work and expense of 1977 could come to for Paragraph 22 activities? Have I asked you to do that?

A. Not yet.

Q. I am about to ask you.

Have I asked you to do it just now, yesterday, for the preparation of this case?

A. Yes, you have.

Q. And could you give us that answer yes.

For myself, as IST, my services for '76 and '77 have been almost totally involved in activities other than Paragraph 22. I have had some, but substantially they have been much less than, say, ten percent. But for the purpose of avoiding undue accounting burdens and litigation costs, I allocated ten percent of my time to Paragraph 22.

Q. In so doing, did you have an opportunity to review your personal calendars?

A. Yes.

Q. And do they confirm your conclusion?

A. Yes, they do.

Q. I'd like to turn to Item 40: administration, IST, and **[885]** would you please tell us what that is?

A. Yes. Administration-IST actually is another department under my jurisdiction and supervision and only involves one employee. First assistant to the IST, Roger Long. He carries on the routine administrative duties of the IST department and handles the department in my absence when I'm out of town, and his Paragraph 22 activities for 1977 and '76 were substantially less than ten percent, but for the same reasons that I did in my own case, I allocated ten percent in order to avoid any undue accounting burdens.

[886]Q. Turn to Item 38, reproduction and switchboard with two employees.

A. Yes.

Q. Is the switchboard under your jurisdiction at this point?

A. At this particular time, the switchboard is under my jurisdiction, but for '77 and '76, it was not under my jurisdiction, it was under the International President's jurisdiction.

The reproduction and switchboard has two employees. One employee handles all the reproduction of the Grand Lodge and the other employee handles all the incoming phone calls for the switchboard for the Grand Lodge and their accounts certainly are substantially less than 10 percent and it is an overhead function essential to the procedure, however, we do allow 10 percent for the same reason to avoid the undue accounting burden.

Q. Item 41, would you tell us what the function of the audit and bonding department --

A. The audit and bonding department is under my jurisdiction and under my supervision, and that department provides and supervises the

bonding arrangements for the various units of the Brotherhood, including the Grand Lodge of the Brotherhood.

It also receives and checks the various audits that are sent in by the Boards of Trustees. In other words, each unit [887] has a Board of Trustees. They are elected by the members of the Board. Trustees audit the books twice a year, mail them into the audit and bonding department, and that department checks and reviews them, and then writes a letter back to that unit either telling them of any irregularity and to give them some advice on how to handle their books, and this is all handled by the audit and bonding department.

The department also checks various governmental reports that we file in accordance with the law with the Department of Labor.

Q. Does it handle Western Airlines audit and bonding functions?

A. Yes, it does. Western Airlines --

Q. On occasion, for Western Airlines, we have heard from Mr. Merrill that your duties, you wrote letters asking for corrections and improvements in the auditing and record-keeping functions of locals, Western Airlines, assisting bonding that would be incurred.

A. Yes. I am not aware of all the letters they have written, but I do know specifically, it seems like maybe two or three years ago, we had specific letters going out to Western Airlines for irregularities.

Q. What is your Paragraph 22 classification for auditing and bonding?

A. The auditing and bonding department, under Paragraph 22 we allocated zero.

[888]Q. What about Category 42, auditors?

A. Auditors, they are under my jurisdiction and supervision and they work out of the auditing and bonding department. The auditing and bonding department handles their movements, and these auditors are empowered to examine the books and records of all units of the Brotherhood. And, of course, those services are available to Western Airlines on an equal basis, and we did not allocate any Paragraph 22

activities to the auditors.

THE COURT: How come you got some rebatable things in there to the auditors?

THE WITNESS: For example, what -- I don't remember.

THE COURT: Your $280.38?

THE WITNESS: Yes, that would be something that they got involved in that they put on their expense account that, for some reason, they got involved in such legislative activity or something, and it amounted to $280, and that is the record that Mr. Howard was talking about that they put into the computer.

We have an expense account with a separate rebatable expense form attached thereto, and if you ever get involved in a rebatable activity, you are supposed to put it on that form in your expense account. They are not normally involved in any Paragraph 22 activities, say, $280, this was something unusual.

[889] BY MR. SILARD:

Q. I believe there is testimony of auditing of RCPL accounts and rebatable by a member of the department.

Next item is 55, the fidelity fund. Is that still under your jurisdiction as in the case of the previous?

A. Yes, the fidelity fund is under my jurisdiction and supervision and that fund represents the receipts for bond premiums and out of that fund is paid the payments to bonding companies that handle the bonds for various units of the Brotherhood, and that fund, of course, is in no way involved in Paragraph 22.

Q. What about the Category 43, the per capita taxes, and would that be under your jurisdiction here?

A. Yes, the per capita tax department is a department under my jurisdiction and supervision. It handles all the paper work in connection with the dues and fees paid to the Grand Lodge. That department bills the various units. It receives the reports, the per capita tax reports from

the unit, along with their checks. It receives the monies, the dues collected, and that department checks these reports, makes adjustments, according to any change in the membership status, for example, the full-paying member might be disabled and there may be some change that the department handles all those reports, keeps all those records, and, of course, those activities are available to Western Airlines and on equal basis, and we charge [889] nothing in Paragraph 22 activities in the per capita tax.

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(Caption omitted in printing.)

TRANSCRIPT OF PROCEEDINGS
August 9, 1978

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[896]Q. Let's turn, then, to the next item, Mr. Bobo. We are still on departments under your jurisdiction. This is Line 44, cashier department.

MR. MERRILL: 1976 and 1977, Mr. Silard?

MR. SILARD: We are still doing '77.

Q. What does the cashier department do?

A. The cashier's department is under my jurisdiction and supervision, and that department receives all the incoming checks and cash, makes deposits, makes withdrawals, pays bills, when authorized, handles the payable, and it's a necessary housekeeping function of the Brotherhood, and I do know for a fact that they do less than 10 percent.

But I did allocate 10 percent of their time toward Paragraph 22.

• • • •

[900]Q. The next item is Item 50, building expenses. What is that building expense and what did you do?

A. Building expenses is not actually under my jurisdiction and supervision. However, it was assigned to me and I allocated 19.5 percent, so I personally visited each department and actually **[901]** walked off the footage and made my own calculations of the 19.5 percent. That's one I did myself. I stayed around after hours one night and visited every department that had some involvement in Paragraph 22 and I took the total footage and made the percentage comparison.

Q. And that's what yielded your 19.5 percent. What was the building expense itself? What is that expense in 1977? Is that rental in 1977 or --

A. That's the total income less expenses. In other words, the net income we applied, 19.5 percent of the total expenses and running the building.

Q. Against, after deducting income?

A. Right.

Q. Because you --

A. That's the net.

Q. In other words, there was some income from the building because your rent is paid?

A. Right; right.

Q. What about Item 39, the O'Hare building? What is the difference between that and the building we have just been talking about?

A. The O'Hare building -- that's a department and that consisted of three employees and those three employees handled all the tenant leases and they handled the repairs to the building, the maintenance, and obviously an overhead service **[901]** essential to the functioning of the Brotherhood and I allocated 19.5 percent.

THE COURT: The same as the other expenses of the building?

THE WITNESS: Right.

BY MR. SILARD:

Q. In making these allocations, was there a space analysis available to you that you used?

A. Yes. I had a diagram of the sixth and seventh floor which is occupied by BRAC and I also had the total square footage of the building and so then when I marked off the total footage of the floor space occupied by Paragraph 22 activities, I was able then to reach the calculation of 19.5 percent.

Q. Where did you get the space analysis or building plan from?

A. Well, it had been given to the company, United Dairy, that bought our building, but I went downstairs and got if from them in order to make this calculation.

Q. It was a plan that was created to be given to the purchaser of the building in 1977?

A. That's correct.

Q. You retrieved it from them in making your analysis?

A. That's correct.

* * * *

DIRECT EXAMINATION

[909] BY MR. RAUH:

Q. Mr. Bobo, turning now to the October 6th, 1975 rebate plan, how was that adopted?

A. At that time, I was on the Executive Council, I was the International Secretary-Treasurer, and the Executive Council held a special meeting on October 5, 1975, for the purpose of discussing and hearing the recommendations of Attorney Joe Rauh. We had asked him to make recommendations for a revised dues rebate plan.

And we held that discussion on October 5. We gave tentative approval to the plan, pending Mr. Rauh's going to court the following day and then returning for another special meeting when we would make the final determination.

[910]And on October 6th, when Attorney Rauh returned, we had another special meeting, and that meeting we again discussed his recommendations, and following considerable discussion, we approved his recommendations unanimously.

THE COURT: I suspect during that discussion my name was taken in vain several times.

BY MR. RAUH:

Q. You said you approved the recommendations unanimously.

A. Yes, we did. Unanimously.

Q. And was everybody on the Executive Council there at these two meetings?

A. Yes. The full Council was there and it was a unanimous opinion, or decision. I, myself, speaking personally, wanted to see a good and fair plan. I felt like that we should make an honest effort to be probably --maybe have the best plan of any union, and in spite of the fact that many of these recommendations of Attorney Rauh's actually involved activities that we thought should have been considered as collective bargaining, we accepted his recommendations in order to have what we considered the best plan available to any union.

Q. Now, how was the plan, after it was adopted, published, Mr. Bobo?

A. It was published in the next issue of the Railway Clerks Interchange in November of 1975.

Q. And to whom did that Interchange go?

[910-A]A. That magazine went to the entire membership, including the agency fee payers.

* * * *

[951] BY MR. MERRILL:

Q. Do you recall ever discussing that case, sir?

A. I was elected to the Executive Council in 1972 so obviously I was not there for that meeting.

Q. Were there some members of the Executive Council who resisted the modification of the Policy Statement rebate during that October 5, 1975 meeting?

* * * *

THE WITNESS: There was considerable discussion. In **[952]** particular, in the areas of the fact that in our opinion there were so many activities that we were charging to the rebate that we knew positively did involve some collective bargaining but we were all in agreement, total agreement,

that we wanted to come up with the best plan possible and we all concluded that the recommendations of Joe Rauh were the best, and probably the best of any union, and I would venture to say that today we have the best rebate program of any union.

* * * *

[960]Q. Now, would you describe your job as staff for the Board of Trustees?

A. Yes. In my job as staff for the Board of Trustees, I am responsible for receving from the Local Lodges and the **[961]** System Boards and from the Grand Lodge the various RP reports, Lodge rebatable reports and the Grand Lodge rebatable information and I exclusively work for the Board of Trustees while I'm performing these duties.

Q. No one has ever given you any instructions other than the Board of Trustees in regard to this problem?

A. No, sir.

Q. Now, could you describe how you went about getting the information in for the Board of Trustees for the 1977 rebate program which came out in '78?

A. Yes.

In September of 1977, Mr. Ed Reynolds, recording secretary at the Board of Trustees, suggested that we contact all of the various Local Lodges advising them that the political education program, PEP, is to be considered as rebatable and this recommendation by the Board of Trustees was made to Mr. Bobo in that letter of September, 1977.

Mr. Bobo then assigned me to handle this information for the Board of Trustees and in October of 1977 our first attempt to gather the information from the various Locals and System Boards was attempted and it was an undated letter. The date it was mailed was the latter part of October, 1977, and this was our first attempt to receive the rebatable information from the Local Lodges and the System Boards.

Q. That went to all Local Lodges and System Boards back **[962]** in October of '77?

A. All Local Lodges and System Boards, U.S. and Canada.

Q. All right. Did all the reports come in as a result of the October '77 letter?

A. Well, unfortunately, prior to year's end we started receiving rebatable reports and the recording period had not expired so we immediately had to contact these lodges, again advising them of the policy and as these reports were received, we contacted these Local Lodges again updating the information to them in regard to the BRAC rebate policy, and a significant number of these reports remained outstanding through March 1978.

Q. Then what did you do in March of '78 as to the ones that hadn't sent in their reports?

A. In March of 1978 another letter was written. This time it was sent to those lodges, U. S. and Canada, and those System Boards, U. S. and Canada, who had not as yet forwarded the necessary information required for the completion of the 1977 rebatable form.

* * * *

[974]Q. Now, how was the amount for the Grand Lodge on political expenditures calculated, Mr. Farrell, please?

A. Well, the figures for the Grand Lodge were calculated by using the Brotherhood's own accounting system.

Q. What do you mean by that? How they could use the Brotherhood's own accounting system. Could you explain that, please?

A. Yes.

The rebatable plan brought about certain changes in the Brotherhood's accounting procedures as Mr. Howard discussed earlier and one of those changes implemented the use of the expense account in order to determine rebatable time spent by Grand Lodge employees on rebatable items, and in those instances the time as well as the expenses are readily gotten off the various expense accounts of Grand Lodge employees.

Q. And those are fed into the computer and are recoverable that way?

A. Yes, they are coded with AR, and we merely have to run the program at the end of the year to retrieve this information.

Q. Now, in regard to time spent and expenditures, was there any fringe benefits applied to the hourly rate?

A. Yes, there were, Mr. Rauh.

Q. What was the rate of the fringe benefit applied to the [975] hourly rate?

A. The fringe benefit rate was determined to be thirty-five percent and for the year 1977, this figure was applied to both the salary and expenses and we felt that we were again overly generous in determining the Grand Lodge rebatable as far as the salary and fringe for the year 1977.

Q. This is because the fringe was applied not only to the salary but to the expenses?

A. That's correct, Mr. Rauh.

Q. Now, just to quickly complete the materials that were provided, when you added up the Local Lodge rebatables, the System Board rebatables, and Grand Lodge rebatables, how did you get the percentage of rebatable dues?

A. The BRAC rebatable policy is based on a net dues income figure and in order to determine the other half of the factor for determining a rebate, we had to determine the net income of the various units of BRAC again for the year 1977 and this was determined by using lodge audits, except in those twenty cases where I explained that I had to calculate those net dues for those twenty lodges when the audit was received.

We did receive audit reports from all of the System Boards and those figures were used for all of the System Boards and System Divisions.

Q. And how did you get the net dues figure for the Grand Lodge?

[976]A. That was gotten off the Brotherhood's profit and loss statement for the year 1977.

Q. And the figure for 1977 percentage was --

A. Based on a three-year average, the 1977 rebatable percentage was determined by the Board of Trustees to be 5.4 percent.

Q. When you say was determined, that was really only an arithmetic determination once you had determined what the rebatables were, and the dues were; is that correct?

A. That's correct, Mr. Rauh.

Q. And for '76, what was the percentage?

A. 4.9 percent.

Q. That was higher than '75?

A. '75 was determined to be 4.68 percent. However, when the 1976 rebate was processed, it was agreed upon that if '76 was higher than '75, we would retroactively apply to the previous years the higher percentage and in those --

Q. So 4.9 has been paid to every person back to the date of protest and 5.4 was paid for '77?

A. That's correct.

Q. Was the method used in '76 or that is, in the spring of '77 or '76, substantially the same?

A. Yes, they were, Mr. Rauh.

Q. Now, directing your attention to these large charts, I was going to say I think you are the last witness on this, but [977] there is one item that may be Mr. Robinson's. I'm not sure, but I think maybe he will complete all of the items.

Directing your attention now, can you see that all right, Mr. Farrell. That is Attachment V.

Do you have Attachment V?

A. Yes; I'd rather use my sheets here.

Q. Let's take Item 1, the international president. There's an F on that whole row which means that you are the primary producer of those figures.

What does the figure, $3,162.27 in the column rebated for international president represent?

A. That rebated figure for International President Kroll represents his time, traveling expenses, plus thirty-five percent fringe applied to both the time and travel expenses for the year 1977.

THE COURT: That was shown on his rebatable form?

THE WITNESS: That was shown on various documents of our Grand Lodge. We pulled it off the GLL-044.

BY MR. RAUH:

Q. But those were pulled off the rebatable form?

A. Yes.

Q. Excuse me. Maybe you are confusing --

They were pulled off time expenditures reports?

A. That's correct. As they expended the time on rebatable activities, Grand Lodge personnel report the time immediately **[978]** throughout the various year. In the case of the Lodge and System Board, we have to retrieve it after the time has gone by.

THE COURT: That's the same with all the rest of those figures in that column, rebated column?

THE WITNESS: Yes, on Page 1, that is true.

BY MR. RAUH:

Q. I think his Honor's question is: Is that true for everything up through all the officers?

A. That's correct.

Q. In other words, it is their time plus their expenses plus thirty-five percent of both.

A. That's correct.

Q. Now, directing your attention to Item 16, the Board of Trustees, that is the one that Mr. Robinson is going to testify to. I knew there was one, sir, so we will pass that.

Going then to Item 17, the industry relations branch or division, there is an item of one thousand eight O four two two. What does that represent, Mr. Farrell?

A. That figure represents time, traveling expenses, plus thirty-five percent for employees of the industrial relations department and in the case of staff, they very well might attend a PEP meeting throughout the year at which time their time at that meeting during regular working hours would be rebatable.

In the case of the clerical help, I would say that any **[979]** employee of the Grand Lodge could at any given time be requested to perform various duties which may very well be rebatable. For instance, our telephone receptionist may be required to stuff envelopes at any given time during the year.

Q. Stuff envelopes for what purpose?

A. Particularly if they would be for expenditures or anything regarding the RCPL. That time would be totally rebatable as would the mail clerk, if they would again stuff envelopes and, in general, any employee of the Grand Lodge could at any given time be requested to perform these duties.

Q. And they would be reported and they would be added on thirty-five percent plus that would go into the records of the Grand Lodge?

A. Right.

In the case of clerical help, we're speaking almost one hundred percent of salary plus thirty-five percent fringe.

In the case of the staff and officers, of course, traveling, the expenses would be included in their figures.

Q. That would be true of the 19 and 20, International Affairs Research and Education?

A. That's true, Mr. Rauh.

Q. Directing your attention to Paragraph 28, there's a very large item there for rebatables under professional services. Can you remember what that is for, Mr. Farrell?

A. That particular rebatable expenditure of $12,000 **[980]** represents payments to a consultant, among others, Maurer, Fleisher, Zon and Anderson.

Q. Who is Maurer, Fleisher, Zon and Anderson?

A. They are public relations experts and they might have been employed at some time throughout the year regarding our public relations work for our legislation or other purposes which are rebatable.

Q. That was rebatable in full, the Maurer, Fleisher bill?

A. That's reflected on our pull-offs of GLL-044.

Q. You refer to GLL-044. That's the same document as Exhibit CR.

I will show it to you and see if this is what you are referring to as GLL-044 in evidence as CR.

A. That is correct, Mr. Rauh.

Q. Directing your attention to Item 30, administration, there is a large item there, too, for eight thousand O four three forty-six. What does that represent, Mr. Farrell?

A. Category No. 30 is headed administration. Specifically, that refers to the international president administration, a member of this is the staff assistant by the name of Betty Hidey.

[981]Q. Now, why did Miss -- what did Miss Hidey do?

A. Among other things, Miss Hidey handles the RCPL books and works in conjunction on the PEP Program, and since a high proportion of her time is devoted to these projects, she naturally would have a large amount of rebatable salary, and if she travels, expenses.

And that would represent for clerical help staff, various employees, again we are talking about time, fringe benefits, figured at 35 percent.

Q. Dropping down now to the international secretary-treasurer, there's a figure of rebatables, 1,104.57. What would that represent?

A. That figure would represent Mr. Don Bobo's rebatable time, expenses, and fringe benefits for the year 1977.

Q. And the next item, 36, data processing, also has 1,400. What is that?

A. Well, at various times throughout the year, as RCPL money is received, the data processing department would have a key-punch clerk work for Miss Hidey to account for the RCPL funds, and as that particular clerk would spend time key-punching these checks into the particular RCPL account, that time would be rebatable, as would 35 percent fringe applied to that particular salary or expense figure.

Q. I notice that the next item, 37, comptroller, is a rather high item for rebate, being 3,701.07. Could you tell us **[982]** what that represents.

A. Yes. That figure would represent mainly two people who work for Betty Hidey. One is a Miss Sandy Hensley, who would devote a high proportion of her time helping Miss Hidey, and another clerk, Sandy Newberry, who has duties in addition to her key-punching duties. And they would fall into the category of controller, and the time she devotes to Miss Hidey again would result in that relatively high figure of 3701.07. That represents time, expenses, plus 35 percent fringe.

Q. Turning now to Item 38, reproduction and switchboard, smaller items now. The rebatable is 179.24.

A. This item again would represent employees' time and expenses plus fringe benefit of 35 percent. However, these particular people, I doubt if they would have performed duties on the road, so we're

probably just talking about salary and 35 percent fringe benefit there.

Q. That would be true of 39, 40, 42, 43?

A. Yes. That's correct regarding those items.

Q. Turning now to Item 53, office expenses of 2,558.79. What would that represent in rebatables, Mr. Farrell?

A. That would mainly represent computer time that was devoted to printing labels and other expenses. We have mailing packages, say, labels, express. Then we have the rent on the equipment, as well as printing and office supplies for the computer forms that are used in rebatable activity.

[983]Q. With respect to 54, membership services, where the rebatables are listed as 3,525, what does that represent, Mr. Farrell?

A. That would represent the scholarship, specifically the Frank Hall Scholarship and the Harvard Scholarship, which basically is for advising union officials on the ways of collective bargaining and various items there. And those amounts are treated as 100 percent rebatable.

Q. Now, this is largely what is known as the Frank Hall Scholarship. That is a Canadian payment to a Canadian --

A. Yes. Frank Hall, as I understand it, was a prominent Canadian and a scholarship fund was set up in his name.

Q. And that's paid to a Canadian institution of some kind?

A. Yes, sir.

Q. Turning now to IV, Item 56, general fund and other expenses, 36,173. What does that represent, Mr. Farrell?

A. That figure represents a couple of items. For instance, it represents $23,796.39 of donations.

Q. Donations to whom?

A. Various political contributions and various charitable contributions. So there are two types of contributions there; political and others are charitable.

Q. And that was 23,000 of it. What would the remaining thirteen of it be?

A. Well, banquets and luncheons would account for $9,015.08. **[984]** And foreign travel in the amount of 3289.26 would result in that figure, totaling $36,173.

Q. Turning now to legal, No. 57, there's a 70,000 figure. What does that represent?

A. That figure, among others, would include Mr. Hirsh's rebatable time and expenses and fringe, plus the other general counsel, Mr. William Donlon, D-o-n-l-o-n, his time.

Additionally, it would include $13,800 of labor affiliation with the Canadian Railway Labor Association, and additionally there were $55,732.11 of legal bills which dealt with ICC, CAB, and other various rebatable activities.

Q. Where you had a legal bill for either legislative activity or ICC or CAB, they were all treated as rebatable.

A. Yes, they were.

Q. Dropping down now to 60, labor affiliation, the whole amount was treated as rebatable.

A. Yes, that is correct.

Q. Now, the death benefit, there's 586.32 there. What would that represent?

A. That figure for the death benefit would represent, again, clerical help who at any given time during the year are required to perform duties which may involve stuffing of envelopes and that type, then would be charged as rebatable. Plus 35 percent fringe to that figure.

Q. Drawing your attention to 63, organizing, the rebatable [985] figure is 5,647.80. What would that be?

A. That figure for the organizing department is largely attributable to a Mr. Dennis Lockhart, and Dennis is a black organizer, and, in fact, he's our only black organizer. And we use him in various political activities and dealing with NAACP, or whatever.

And at those times that he is called upon to perform those duties, his time is rebatable, and since he is it in that respect, he has quite a large amount of rebatable time and expenses.

Q. Plus 35 percent.

A. Plus 35 percent fringe.

Q. Now, turning to the next item, 64, official publication. There's a rather large item for 11,136.44. What is that?

A. That figure would represent the employees, again staff and clerical, as they perform rebatable time. Plus fringe benefits of 35 percent on both their salary and expenses.

And in addition, we're talking about the per-page calculations that rebatable activity may appear in the Railway Clerk Interchange or the International President's Bulletin, and Miss Diane Curry, who heads that department, would allocate the per-page characters devoted to rebatable time and to rebatable as that particular area of a page relates to the entire characters on that page.

Q. And the last item, legislative, is a full amount.

[986]THE COURT: It speaks for itself.

MR. RAUH: Yes. Thank you, sir.

THE WITNESS: Yes.

* * * *

(Caption omitted in printing.)

TRANSCRIPT OF PROCEEDINGS
August 10, 1979

* * * *

[1103]MR. RAUH: Objection, your Honor. The policy statement of October, 1975 has repaid every dime to every employee who protested under the new program. The proper accounting under the old program is totally irrelevant.

THE COURT: I think that's right, Mr. Merrill.

MR. MERRILL: Your Honor, I haven't asked him about the proper accounting under the program. And instead of stating an objection, we have repetitious testimony from Mr. Rauh, who's simply covering the background and the knowledge of the witness.

MR. RAUH: I've read the affidavits about previous political programs.

THE COURT: It certainly refers only to things before the October 6th change; isn't that right, Mr. Merrill?

MR. MERRILL: That is correct, your Honor. However, --

THE COURT: And isn't it true that after that adoption of the October 6th change, that they went back and re-refunded under the new system?

MR. MERRILL: However, the new system adopted many features of the old.

THE COURT: Well, are you claiming that any substantial political expenditure, straight political expenditure, has not now been refunded?

MR. MERRILL: I have no basis to make that claim, your Honor. We don't have that information.

THE COURT: Well, --

* * * *

(Caption omitted in printing.)

APPENDIX II TO DEFENDANTS' POST-TRIAL REVIEW

Index to Testimony on Defendants' Exhibits B and C

	Line No. & Category	Function & ¶22 Allocation	Cost	Amount Rebated
1	Internat'l Pres.	28-30	777	977-78
2	IVP Coleman	30-32	777	977-78
3	IVP Devlin	32-33,60	777	977-78
4	IVP Fitzgibbon	33-34	777	977-78
5	IVP Granlund	34	777	977-78
6	IVP Kilroy	34	777	977-78
7	IVP Kroll	35,61	777	977-78
8	IVP Lynch	35	777	977-78
9	IVP McGregor	35-36A	777	977-78
10	IVP Neal	36	777	977-78
11	IVP Otero	37,61	777	977-78
12	IVP Toppen	37-38,62	777	977-78
13	Ass't IVP Bishop	38	777	977-78
14	Ass't IVP Norton	38	777	977-78
15	Ass't IVP Smith	38	777	977-78
16	Board of Trustees	39,1057	777	1011-12
17	Industry Relations	39-41,904-06	777-78	978-79
18	Social Insurance	42,778,810	777-78	
19	Internat'l Affairs	42	777-78	979
20	Research & Education	43-44,907-08	777-78	979
21	Railroad Patrolmen	44	777-78	
22	REA O'Hare	778-79,810	777-78	
23	Nat'l Negotiating Committee	45	777-78	
24	Canadian Negotiating Committee	45	777-78	

	Line No. & Category	Function & '22 Allocation	Cost	Amount Rebated
25	Harvard trade union courses	45-46	777-78	
26	Manpower Training	46	777-78	
27	Int'l President's Bulletin	47	777-78	
28	Professional Services	48-49	777-78	979-80
29	Membership protective	779,810	777-78	
30	Administration	49	779	980-81
31	Washington office	49-50	779	49-50
32	Philadelphia office	50-51,63	779	
33	Montreal office	51,779-80	779	
34	Canadian Exec. Council	51	779	
35	Internat'l Sec-Treas.	883-84,891-93	779	981
36	Data Processing	780-81	779	981
37	Comptroller	781,811	779	981-82
38	Reproduction & Switchboard	886	779	982
39	O'Hare Building	901-03	779	982
40	Administration-IST	884-85,895	779	982
41	Audit & Bonding	886-87	779	
42	Auditors	888-89	779	982
43	Per Capita Tax	889-89A	779	982
44	Cashier	896	779	
45	Annuities	51-53	779	
46	Transfer Allowance	781-82,811	779	
47	Separation Allowance	53	779	
48	Pension Prior Service Funding	782,811	779	
49	Auto expenses	782-83	779	

	Line No. & Category	Function & §22 Allocation	Cost	Amount Rebated
50	Building expenses	900-03	779	
51	Depreciation	783-84	779	
52	Insurance	784-85	779	
53	Office expenses	785-89,811-11A	779	982
54	Membership services	789	779	983
55	Fidelity Fund	889	779	
56	General Fund -- other expenses	789-91,800	789-91	983-84
57	Legal	791-94	791-94	984
58	State Leg. Rep.	798-99	798-99	
59	State Legislative	795	795	
60	Labor Affiliations	53	795	53,984
61	Convention	54,63-64	795	
62	Death Benefit	54,64	796	64,984
63	Organizing	54-55	796	984-85
64	Official Publication	55-56,64	796	985
65	Disaster Relief	56	796	
66	Legislative	57	796	57,985-86

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

HOWARD ELLIS, et al., Plaintiffs, v. BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYEES, et al., Defendants.	CIVIL NO. 73-113-N Consolidated with CIVIL NO. 73-118-N **APPENDIX TO DEFENDANTS' REPLY MEMORANDUM**

ALLEN FAILS, et al.,
Plaintiffs,
v.
BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS EXPRESS AND STATION EMPLOYEES, et al.,
Defendants.

* * * *

[39]94. Plaintiffs' brief, p. 31, lines 22-24 alleging "the union's participation in an unlawful laundering scheme creating covert political contribution funds."

Inasmuch as the activities cited funneled voluntary political donations into general, politically restricted funds -- to plaintiffs' benefit -- plaintiffs' assault is both untrue and irrelevant as without fiscal significance. We do not understand why plaintiffs insist on repeating this statement since we long ago refuted it without contradiction (see defendants' Reply Memorandum in Support of Motion for Entry of Final Order, filed December 19, 1977, p. 4 n. 2).

* * * *

(Proof of service omitted in printing.)

(Caption omitted in printing.)

TRANSCRIPT OF PROCEEDINGS
October 23, 1979

* * * *

[1326] MR. RAUH: Yes; that's right. It didn't affect the accounting here at all and I won't waste the time on the answer.

I have to answer some of these things because there's a good name problem for the union, too. There was a reference to laundering funds and your Honor recalls at an earlier date, but I think your Honor didn't recall that there was anything wrong in what was done. There was an exchange of funds with the AFL-CIO. BRAC had some voluntary funds and they exchanged it for dues money. Actually they helped the plaintiffs because there was more dues money in there and less--you could use the voluntary money for political expenditures and you can't use dues monies. AFL-CIO wanted voluntary money so BRAC gave it to them and they took back dues money so actually they had more money for the purposes of the dues and that word "launder" has been used on this transaction but it's an exchange in funds, if you **[1327]** want to say it that way, but there's nothing wrong with it. It seems to me it was to their advantage.

* * * *

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SOUTHERN DISTRICT OF CALIFORNIA
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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

HOWARD ELLIS, et al.,
Plaintiffs,
v.
BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYES, et al.,
Defendants.

Civil No. 73-113-N
Consolidated with
Civil No. 73-118-N

FINDINGS OF FACT AND CONCLUSIONS OF LAW

ALLEN FAILS, et al.,
Plaintiffs,
v.
BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYES, et al.,
Defendants.

These consolidated actions came on for further trial on August 1, 1978, before the Honorable Leland C. Nielsen, U. S. District Judge, sitting without a jury. The plaintiffs were represented by Michael E. Merrill, Esq., Raymond L. LaJeunesse, Jr., Esq., and Hugh L. Reilly, Esq. The defendants were represented by Joseph L. Rauh, Jr., Esq., John Silard, Esq., Mary M. Levy, Esq., and Solomon I. Hirsh, Esq. The Court having heard and considered the

evidence, both oral and documentary, the arguments of counsel, both oral and written, and now being fully advised, makes the following Findings of Fact and Conclusions of Law:

1. On January 21, 1976 this Court issued Findings of Fact, Conclusions of Law and an Interlocutory Summary Judgment on the liability issues, which judgment together with amendments of April 14, 1976, and November 29, 1976, are incorporated herein as if set forth at length.

2. On April 14, 1976, the Court certified its Interlocutory Summary Judgment for appeal, but the Court of Appeals denied hearing on said certification June 7, 1976.

3. The Findings of Fact and Conclusions of Law and the Interlocutory Summary Judgment were the framework for the trial commencing on August 1, 1978, as the pretrial order provided that these findings and conclusions "are conclusive and shall not be subject to challenge or supplementation by evidence or legal argument at the trial."

4. On October 6, 1975, BRAC adopted a rebate plan encompassing all political and legislative expenditures of the Grand Lodge and subordinate units, as well as all ideological expenditures and all dues and contributions to other labor federations, organizations and charities. That plan is a good-faith effort to comply with the requirements imposed by the United States Supreme Court in *International Association of Machinists v. Street*, 367 U.S. 740 (1961), and *Brotherhood of Railway and Steamship Clerks v. Allen*, 373 U.S. 113 (1963). The Grand Lodge Board of Trustees annually computes political-ideological rebates due to any protesting dues payer for the prior calendar year. These are computed on the basis of forms submitted by subordinate units and upon reports of political time and expenditures by Grand Lodge personnel which are contemporaneously logged on the Grand Lodge computer system throughout the calendar year. Any employee who believes his rebate inadequate may appeal directly to an independent Public Review Board authorized to make final determinations on such appeals. Members of the Board include former Governor Edmund G. Brown, Dame Soia Mentschikoff and Reverend Preston Bradley.

The Board of Trustees' computation for calendar year 1975 disclosed that 4.68% of the Union's total income from dues and fees had been expended for items included in the rebate plan, and each plaintiff in this suit was sent a refund check for that proportion of his 1975 dues

payment, as well as for each earlier year back to the date of his initial dues protest. The rebate computation for 1976 was 4.9%, and each plaintiff was then sent that amount for 1976 plus the amount necessary to increase to 4.9% the rebate for each prior year since his protest. Plaintiffs have also been sent their rebates for 1977, amounting to 5.4% of their dues payments in that year. No plaintiff has appealed to the Public Review Board, although each has been advised of his right of appeal.

5. On the basis of the above finding, the Court concludes that plaintiffs' rights in the political-ideological area have been vindicated by the rebates they have received and are protected for the future by the rebate plan.

6. With respect to the area of expenditure defined in Paragraph 22 of the Interlocutory Summary Judgment, pre-1976, based upon defendants' stipulation, each plaintiff is awarded with interest his entire dues payment made or transmitted to the Grand Lodge from the date of his initial protest through December 31, 1975.

7. For calendar year 1976 each plaintiff is awarded with interest a return of 40.0% of his dues paid to the Grand Lodge.

8. For calendar year 1977 each plaintiff is awarded with interest 37.8% of his dues paid to the Grand Lodge in 1977.

9. These awards for 1976 and 1977 are based upon trial exhibits B and C and the supplements thereto, which the Court finds to have been supported by a preponderance of the evidence.

10. To comply with the requirements of the Railway Labor Act, defendants shall establish a system that reduces the dues payment obligation to the Grand Lodge of any plaintiff for each calendar year by the proportion of Grand Lodge expenditures determined by defendants to have been spent for Paragraph 22 functions and the rebates in the political-ideological areas in the preceding calendar year. To determine the annual reduction amount, defendants shall at once integrate Paragraph 22 data into the regular accounting records of the Grand Lodge which are subject to independent annual audit, and as concerns compensated time of officers and staff, such records shall be kept on the basis of a time study or other investigation establishing generally accepted accounting standards for allocating the compensated time and expenses of Grand Lodge personnel who engage in Paragraph 22 activity.

11. The testimony of the Local Lodge defendants and examinations of their books and records established by a preponderance of the evidence that the Locals engage in almost no Paragraph 22 activity and incur only minimal expenditures in Paragraph 22 areas other than political contributions and expenses which are already a part of the rebate plan. Upon the stipulation of the defendants, each plaintiff is awarded a return of $1.00 per year from dues paid to his Local Lodge from the date of his original protest through 1977 and in each calendar year thereafter.

12. Testimony by officers and employees of defendant System Board and examination of the books, records and other exhibits establish by a preponderance of the evidence that, with the exception of the years 1975 and 1976, the System Board engages in little Paragraph 22 activity. Only minimal sums are spent on such activity, except items already rebated to the plaintiffs. Therefore, each plaintiff is awarded the sum of $4.14 per year from the System Board for the year 1975 and a similar amount for 1976, and upon stipulation of the defendant, each plaintiff is awarded a return of $1.00 per year from the date of his original protest through 1977 and each calendar year thereafter, except for 1975 and 1976.

13. The costs of defending this litigation are not a Paragraph 22 expenditure.

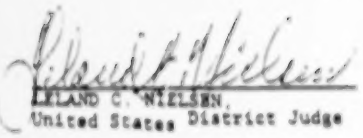
14. Plaintiffs are entitled to no return for any alleged waste on the part of defendants.

15. Upon stipulation of the defendants, strike benefits shall be paid to agency fee payers equally with regular members with no requirement being imposed upon such persons or any other plaintiff other than that of refraining from working for Western Airlines during the time for which said benefits are paid.

16. The plaintiffs shall recover the share of their dues allocable to the death benefit fund and will no longer be required to pay same, but shall be deemed to have waived any rights or benefits under that fund.

17. The plaintiffs are entitled to their costs of suit.

Dated: March 14, 1980.



LELAND C. NIELSEN,
United States District Judge

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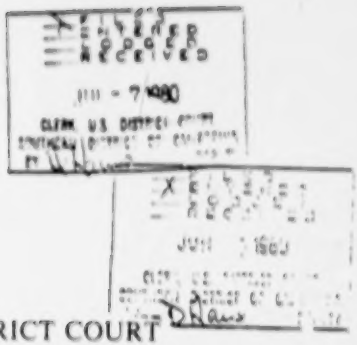

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

HOWARD ELLIS, et al., Plaintiffs, v. BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYES, et al., Defendants.	Civil No. 73-113-N Consolidated with Civil No. 73-118-N
ALLEN FAILS, et al., Plaintiffs, v. BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYES, et al., Defendants.	**JUDGMENT**

In accordance with the Findings of Fact and Conclusions of Law entered by this Court on March 14, 1980,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. Each plaintiff is awarded the sum next to said plaintiff's name in Attachment A hereto for expenditures made by defendants on the activities set forth in Paragraph 22 of the Interlocutory Summary Judgment (other than

expenditures which are already a part of the political-ideological rebate plan adopted on October 6, 1975) for the period from the date of initial protest through December 31, 1977.

2. For the period from January 1, 1978, to date of Judgment, each plaintiff is awarded, with interest, a sum equal to said plaintiff's share of the expenditures made by defendants on Paragraph 22 activities (other than expenditures which are already a part of the political-ideological rebate plan adopted on October 6, 1975).

3. Defendants are directed to establish a system that reduces the dues payment obligation of any plaintiff for each calendar year by $2.00 per year plus the proportion of Grand Lodge expenditures determined by defendants to have been spent for Paragraph 22 functions and the rebates in the political-ideological areas in the preceding calendar year and to determine the annual reduction amount for the Grand Lodge in accordance with the provisions of Paragraph 10 of the Findings of Fact and Conclusions of Law of March 14, 1980.

4. As stipulated by defendants, strike benefits shall be paid to agency fee payers equally with the regular members with no requirement being imposed upon such persons or any other plaintiff other than that of refraining from working for Western Airlines during the time for which said benefits are paid.

5. Since each plaintiff is awarded a recovery of the share of their dues allocable to the death benefit fund under Paragraphs 1 and 2 hereof and will no longer be required to pay same under Paragraph 3 hereof, plaintiffs shall be deemed to have waived any rights or benefits under that fund.

6. Plaintiffs are entitled to their costs of suit.

7. Defendants having repeatedly made clear their intention to appeal this Court's ruling in the Interlocutory Summary Judgment that all expenditures made by defendants on Paragraph 22 activities fall outside the area of collective bargaining and this Court having determined that this is a controlling and important question of law not yet settled by the appellate courts, this Judgment is stayed until final appellate review herein

upon the condition that defendants present to this Court, within 10 days, and this Court approves, an appropriate supersedeas bond.

7-7-80

DATED

LELAND C. NIELSEN
UNITED STATES DISTRICT JUDGE

Approved as to form:

Michael E. Merrill
Attorney for Plaintiffs

Joseph L. Raun, Jr.
Attorney for Defendants

ATTACHMENT A TO JUDGMENT

Name of Plaintiff		July 1, 1972 to December 31, 1972			1973			1974			1975		
		Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board
Pamela Balian	1	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Shirley Ballard	2	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Candice Brown	3	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Janis Damante	4	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Nancy Dean	5	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Marguerite Douglas	6	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Joyce Emminger	7	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Howard Ellis	8	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
G. Brent Erkman	9	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Allen Fails	10	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Noel Fontaine	11	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Jack E. Frost	12	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Mary Grote	13	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Twila Johnson	14	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Sally Loudin	15	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Gayle Nelson	16	25.20	.50	.50	50.40	1.00	1.00	4.20	.08	.08	-	-	-
Helene Taylor	17	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
								50.40	1.00	1.00	55.40	1.00	4.14

	1976			1977			Interest to May 15, 1980	Gross Rebate	Prior Rebate	Net Rebate
	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board				
1	22.88	.92	3.80	25.63	1.00	1.00	102.64	349.41	21.67	327.74
2	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
3	22.88	.92	3.80	25.63	1.00	1.00	102.64	349.41	21.67	327.74
4	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
5	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
6	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
7	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
8	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
9	24.96	1.00	4.14	15.80	.58	.58	100.88	339.48	21.67	317.81
10	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
11	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
12	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
13	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
14	24.96	1.00	4.14	21.02	.83	.83	102.24	346.56	21.67	324.89
15	-	-	-	-	-	-	42.86	125.82	9.69	116.13
16	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
17	12.48	.50	2.07	-	-	-	92.27	298.86	21.67	277.19

Name of Plaintiff		July 1, 1972 to December 31, 1972			1973			1974			1975		
		Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board
Ray Sauls	1	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Phyllis Payne	2	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Audrey Ryan	3	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Kenneth Wisor	4	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Loa Young	5	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Susan Allen	6	-	-	-	-	-	-	-	-	-	31.20	.50	2.07
Andrea Anixt	7	16.80	.33	.33	50.40	1.00	1.00	50.40	1.00	1.00	15.60	.25	1.04
Donald Bakanec	8	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Gayle Baxter	9	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Twanet Bender	10	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Bonita Rupp Biagi	11	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Deanna Birkel	12	-	-	-	-	-	-	-	-	-	26.00	.42	1.73
Andrea Bowman	13	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Kaylynn Brown	14	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Kyra Canty	15	-	-	-	-	-	-	25.20	.50	.50	55.40	1.00	4.14
Jay Carter	16	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Edwina Char	17	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14

	1976			1977			Interest to May 15, 1980	Gross Rebate	Prior Rebate	Net Rebate
	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board				
1	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
2	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
3	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
4	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
5	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
6	24.96	1.00	4.14	25.63	1.00	1.00	28.47	119.97	3.31	116.66
7	18.72	.75	3.11	25.63	1.00	1.00	79.88	269.24	15.96	253.28
8	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
9	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
10	12.48	.50	2.07	-	-	-	92.27	298.86	21.67	277.19
11	20.80	.83	3.45	25.63	1.00	1.00	101.88	346.13	21.67	324.46
12	24.96	1.00	4.14	25.63	1.00	1.00	25.34	112.22	1.33	110.89
13	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
14	12.48	.50	2.07	25.63	1.00	1.00	98.82	333.04	21.67	311.37
15	24.96	1.00	4.14	25.63	1.00	1.00	49.30	193.77	9.43	184.34
16	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
17	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02

Name of Plaintiff		July 1, 1972 to December 31, 1972			1973			1974			1975		
		Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board
James Christensen	1	25.20	.50	.50	50.40	1.00	1.00	46.20	.92	.92	-	-	-
Vandee Clark	2	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Bettye Connor	3	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Colleen Cosgrove	4	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Ronald F. Covalsky	5	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Derlie Gates Craver	6	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Joan W. Crittenden	7	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Anita P. Davis	8	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Victoria Falger	9	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Jacquelyn B. Fretwill	10	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Jean Fucak	11	25.20	.50	.50	29.40	.58	.58	-	-	-	-	-	-
Lynn Bartlett Fukuda	12	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Claire Green	13	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Jeanne Flood Harris	14	25.20	.50	.50	50.40	1.00	1.00	42.00	.83	.83	34.40	.58	2.42
Linda E. Harvey	15	12.60	.25	.25	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Johnny Heard	16	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Mary K. Hess	17	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14

	1976			1977			Interest to May 15, 1980	Gross Rebate	Prior Rebate	Net Rebate
	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board				
1	-	-	-	-	-	-	62.91	189.55	14.79	174.76
2	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
3	24.96	1.00	4.14	21.70	.88	.88	102.44	347.54	21.67	325.87
4	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
5	6.24	.25	1.04	-	-	-	89.96	289.03	21.67	267.36
6	16.64	.67	2.76	1.97	.08	.08	94.31	308.05	21.67	286.38
7	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
8	24.96	1.00	4.14	13.83	.50	.50	100.38	336.85	21.67	315.18
9	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
10	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
11	-	-	-	-	-	-	30.20	86.96	6.63	80.33
12	22.88	.92	3.80	25.63	1.00	1.00	102.64	349.41	21.67	327.74
13	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
14	24.96	1.00	4.14	16.75	.75	.75	88.59	296.60	14.28	282.32
15	24.96	1.00	4.14	25.63	1.00	1.00	96.19	332.36	20.14	312.22
16	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
17	18.72	.75	3.11	25.63	1.00	1.00	101.11	342.86	21.67	321.19

Name of Plaintiff		July 1, 1972 to December 31, 1972			1973			1974			1975		
		Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board
Pam Hill	1	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Elizabeth Hohndorf	2	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Christine Holme	3	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Kenneth Johanson	4	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Susan Kealoha	5	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Connie Kearney	6	-	-	-	12.60	.25	.25	50.40	1.00	1.00	55.40	1.00	4.14
Emelda W. King	7	21.00	.42	.42	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Mildred A. King	8	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Vicky Lee	9	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Wafik Loutfi	10	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Jack Lyons	11	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Colleen Magorty	12	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Lilyane Messioux	13	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Lynn Michaelson	14	4.20	.08	.08	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Retta Jackson Moen	15	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Dana Mount	16	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Joan Mullen	17	25.20	.50	.50	50.40	1.00	1.00	33.60	.67	.67	-	-	-

	1976			1977			Interest to May 15, 1980	Gross Rebate	Prior Rebate	Net Rebate
	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board				
1	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
2	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
3	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
4	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
5	18.72	.75	3.11	21.02	.83	.83	99.96	336.76	21.67	315.09
6	24.96	1.00	4.14	25.63	1.00	1.00	68.67	252.44	14.38	238.06
7	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	324.74
8	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
9	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
10	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
11	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
12	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
13	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
14	24.96	1.00	4.14	25.63	1.00	1.00	91.37	318.80	19.12	299.68
15	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
16	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
17	-	-	-	-	-	-	57.11	170.65	13.26	157.39

Name of Plaintiff		July 1, 1972 to December 31, 1972			1973			1974			1975		
		Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board
Barbara Nauert	1	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Norma Evind Newburn	2	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Mildred O'Neill	3	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Michael G. Pagano	4	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Kathy Perry	5	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Joanne R. Pettit	6	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Doris Piunno	7	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Evelyn Postlewaite	8	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Lionel A. Powell	9	25.20	.50	.50	50.40	1.00	1.00	33.60	.66	.66	-	-	-
Dinnis Richert	10	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
James Roberts	11	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	12.60	.25	1.04
Judith Salazar	12	25.20	.50	.50	29.40	.58	.58	-	-	-	-	-	-
Julitta Selinger	13	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Sandra O. Shaughnessy	14	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Bonnie Simmons	15	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Karlyne A. Sparks	16	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Jan Sudjian	17	-	-	-	42.00	.83	.83	50.40	1.00	1.00	55.40	1.00	4.14

	1976			1977			Interest to May 15, 1980	Gross Rebate	Prior Rebate	Net Rebate
	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board				
1	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
2	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
3	5.28	1.00	-	4.99	1.00	-	91.01	294.82	21.67	273.15
4	16.64	.67	2.77	25.63	1.00	1.00	100.35	339.60	21.67	317.93
5	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
6	24.96	1.00	4.14	5.90	.25	.25	98.39	326.43	21.67	304.76
7	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
8	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
9	-	-	-	-	-	-	57.11	227.74	13.26	214.48
10	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
11	-	-	-	-	-	-	70.10	214.99	16.83	198.16
12	-	-	-	-	-	-	30.20	86.96	7.65	79.31
13	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
14	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
15	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
16	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
17	24.96	1.00	4.14	25.63	1.00	1.00	84.45	298.78	17.59	281.19

Name of Plaintiff		July 1, 1972 to December 31, 1972			1973			1974			1975		
		Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board
Kenneth Tong	1	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
J. K. Weberg	2	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Margaret Weir	3	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Cheryl M. White	4	-	-	-	21.00	.42	.42	50.40	1.00	1.00	55.40	1.00	4.14
Kathy Wilkes	5	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Marvilyne Williams	6	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Karen N. Wilson	7	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Leo C. Withers	8	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Jean Wong Penn	9	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
May Yee	10	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Dessa Reiko Yukawa	11	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Henry Adams	12	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Jesus J. Anaya	13	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Edward A. Anderson	14	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Oscar Brantley, Jr.	15	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Joseph J. Case	16	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
John Collier	17	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14

	1976			1977			Interest to May 15, 1980	Gross Rebate	Prior Rebate	Net Rebate
	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board				
1	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
2	24.96	1.00	4.14	21.02	.83	.83	102.24	346.56	21.67	324.89
3	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
4	-	-	-	-	-	-	57.42	192.20	14.99	177.21
5	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
6	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
7	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	321.02
8	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
9	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
10	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
11	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
12	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
13	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
14	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
15	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
16	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
17	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02

Name of Plaintiff		July 1, 1972 to December 31, 1972			1973			1974			1975		
		Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board
Jerry Wayne Ellis	1	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Dan J. Leonardo	2	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Richard Ragland	3	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Dale C. Jensen	4	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Dale Johnson	5	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Robert Krakowski	6	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Robert Sather	7	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
James Schmidt	8	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Robert A. Symes	9	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Jerome B. Trelstad	10	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Edmund Allman	11	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	26.20	.50	2.07
Olga Maroni Beaver	12	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	12.60	.25	1.04
Donna Haver Carvey	13	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Suzanne Casey	14	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Eleanor K. Cheney	15	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Roger Creighton	16	-	-	-	-	-	-	42.00	.83	.83	55.40	1.00	4.14
Lucyann Davitt	17	25.20	.50	.50	29.40	.58	.58	-	-	-	-	-	-

	1976			1977			Interest to May 15, 1980	Gross Rebate	Prior Rebate	Net Rebate
	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board				
1	4.16	.17	.69	-	-	-	89.21	285.77	21.67	264.10
2	24.96	1.00	4.14	25.63	1.00	1.oo	103.42	352.69	21.67	331.02
3	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
4	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
5	22.88	.92	3.80	25.63	1.00	1.00	102.64	349.41	21.67	327.74
6	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
7	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	321.02
8	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
9	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
10	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
11	10.40	.42	1.73	15.84	.50	.50	83.52	272.68	18.36	254.32
12	-	-	-	-	-	-	70.10	214.99	16.83	198.16
13	24.96	1.00	4.14	16.41	.67	.67	101.09	340.48	21.67	318.81
14	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
15	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
16	24.96	1.00	4.14	25.63	1.00	1.00	58.03	219.96	11.47	208.49
17	-	-	-	-	-	-	30.20	86.96	6.63	80.33

Name of Plaintiff		July 1, 1972 to December 31, 1972			1973			1974			1975		
		Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board
Norman Forbush	1	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Cathy French	2	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Sandi Gagliardi	3	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Margarita Holmstrom	4	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Marilyn Jones	5	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Panida Keeton	6	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Robert Mahan	7	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Janice E. Maruszewski	8	-	-	-	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Sharon McCann	9	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
James O'Connor	10	-	-	-	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Joan Rizzo	11	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Dan Shoffner	12	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Dorothy Simac Monson	13	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Celeste Vivian	14	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Julie Weick	15	25.20	.50	.50	50.40	1.00	1.00	54.40	1.00	1.00	55.40	1.00	4.14
Ethel Workman	16	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
George Wray	17	-	-	-	-	-	-	21.00	.42	.42	55.40	1.00	4.14

	1976			1977			Interest to May 15, 1980	Gross Rebate	Prior Rebate	Net Rebate
	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board				
1	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
2	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
3	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
4	24.96	1.00	4.14	14.44	.58	.58	100.58	337.87	21.67	316.20
5	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
6	12.48	.50	2.07	21.70	.83	.83	97.81	327.76	21.67	306.09
7	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	321.02
8	24.96	1.00	4.14	25.63	1.00	1.00	88.96	312.03	18.61	293.42
9	24.96	1.00	4.14	7.86	.33	.33	98.89	329.05	21.67	307.38
10	24.96	1.00	4.14	3.93	.17	.17	83.45	283.16	18.97	264.19
11	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
12	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
13	24.96	1.00	4.14	23.66	.92	.92	102.91	350.05	21.67	328.38
14	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
15	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
16	18.72	.75	3.11	25.63	1.00	1.00	101.11	342.86	21.67	321.19
17	24.96	1.00	4.14	25.63	1.00	1.00	48.28	188.39	8.92	179.47

Name of Plaintiff		July 1, 1972 to December 31, 1972			1973			1974			1975		
		Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board
Patrick Auge	1	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
William L. Best	2	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Richard W. Clemens	3	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Tommy L. Deeter	4	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Jane Anne Dolcater	5	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Lester Fairchild	6	21.00	.42	.42	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Rudy Garcia	7	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
David W. Hammond	8	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Edward J. Healy	9	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Richard Heitert	10	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Ralph Burton Hesse	11	16.80	.34	.34	50.40	1.00	1.00	50.40	1.00	1.00	-	-	-
Lloyde Hohl	12	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Joseph J. Kell, Jr.	13	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Milford E. Langness	14	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Edward R. Lemp	15	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Harvey D. Logan	16	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
E. J. Lowell	17	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14

	1976			1977			Interest to May 15, 1980	Gross Rebate	Prior Rebate	Net Rebate
	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board				
1	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
2	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
3	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
4	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
5	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
6	24.96	1.00	4.14	25.63	1.00	1.00	103.24	345.90	21.16	324.74
7	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
8	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
9	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
10	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
11	-	-	-	-	-	-	60.08	182.36	14.28	168.08
12	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
13	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
14	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
15	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
16	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
17	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02

Name of Plaintiff		July 1, 1972 to December 31, 1972			1973			1974			1975		
		Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board
Paul A. Murry	1	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Robert J. Parker	2	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Paul Silvestri	3	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Kenneth Simpson	4	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Dennis Anderseon	5	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	25.20	.50	2.07
Linda Hull Banducci	6	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Alice Castro	7	25.20	.50	.50	16.80	.33	.33	-	-	-	-	-	-
Sam Chacy (Chang)	8	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Thelma Gonzales	9	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Veth Allen Gaush	10	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Georgia Johnston	11	21.00	.42	.42	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Sharon Koizumi	12	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Patricia Lyons	13	25.20	.50	.50	16.80	.33	.33	-	-	-	-	-	-
Richard Meyers	14	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Francine Moblad	15	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Nita Neilson	16	25.20	.50	.50	46.20	.92	.92	-	-	-	-	-	-
Jan Noto	17	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14

	1976			1977			Interest to May 15, 1980	Gross Rebate	Prior Rebate	Net Rebate
	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board				
1	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
2	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
3	24.96	1.00	4.14	21.02	.83	.83	102.24	346.56	21.67	324.89
4	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
5	-	-	-	-	-	-	75.32	234.09	18.36	215.73
6	18.72	.75	3.11	25.63	1.00	1.00	101.11	342.86	21.67	321.19
7	-	-	-	-	-	-	23.49	67.15	-	67.15
8	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
9	24.96	1.00	4.14	17.43	.67	.67	101.32	341.73	21.67	320.06
10	16.64	.67	.67	25.63	1.00	1.00	99.71	336.86	21.67	315.19
11	24.96	1.00	4.14	25.63	1.00	1.00	100.99	345.90	21.51	324.39
12	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
13	-	-	-	-	-	-	23.49	67.15	5.10	62.05
14	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
15	14.56	.58	2.42	11.53	.42	.42	95.92	317.39	21.67	295.72
16	-	-	-	-	-	-	39.27	113.51	-	113.51
17	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02

Name of Plaintiff		July 1, 1972 to December 31, 1972			1973			1974			1975		
		Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board
Charlene O'Grady	1	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Stephanie Pappas	2	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	8.40	.17	.17
Dorreene Proctor	3	25.20	.50	.50	-	-	-	-	-	-	-	-	-
Darlene Rauschnot	4	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Margaretha Ringborg	5	25.20	.50	.50	16.80	.34	.34	-	-	-	-	-	-
Carol H. Stevenson	6	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Barbara Warren	7	8.40	.17	.17	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Susan Whiteley	8	25.20	.50	.50	50.40	1.00	1.00	37.80	.75	.75	-	-	-
Clarence Anderson	9	25.20	.50	.50	16.80	.34	.34	-	-	-	-	-	-
Bruce Johnson	10	25.20	.50	.50	16.80	.34	.34	-	-	-	-	-	-
Thomas E. Kovarik	11	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	-	-	-
John A. Kelly	12	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Robert Abel	13	25.20	.50	.50	4.20	.08	.08	-	-	-	-	-	-
Stephen R. Buckel	14	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Jerry W. Hengst	15	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
LeGande Jone	16	25.20	.50	.50	50.40	1.00	1.00	16.80	.34	.34	-	-	-
Jerry VanNortwick	17	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14

	1976			1977			Interest to May 15, 1980	Gross Rebate	Prior Rebate	Net Rebate
	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board				
1	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
2	-	-	-	-	-	-	68.17	207.91	16.32	191.59
3	-	-	-	-	-	-	8.05	34.25	3.06	31.19
4	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
5	-	-	-	-	-	-	23.49	67.17	5.10	62.07
6	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
7	24.96	1.00	4.14	25.63	1.00	1.00	93.81	325.62	19.63	305.99
8	-	-	-	-	-	-	59.03	176.93	13.77	163.16
9	-	-	-	-	-	-	23.49	67.17	-	67.17
10	-	-	-	-	-	-	23.49	67.17	5.10	62.07
11	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
12	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
13	-	-	-	-	-	-	16.70	47.26	-	47.26
14	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
15	5.20	.08	.35	-	-	-	89.39	286.56	21.67	264.89
16	-	-	-	-	-	-	49.33	145.41	11.22	134.19
17	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02

Name of Plaintiff		July 1, 1972 to December 31, 1972			1973			1974			1975		
		Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board	Grand Lodge	Sys. Local	Grand Board	Lodge	Sys. Local	Board
Dee Dee Ericksen	1	21.00	.42	.42	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Joseph Fialdini	2	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Theresa Hazen	3	25.20	.50	.50	29.40	.58	.58	-	-	-	-	-	-
Loetta H. Musio (Muoio)	4	8.40	.17	.17	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
John O'Connell	5	25.20	.50	.50	29.40	.58	.58	-	-	-	-	-	-
R. W. Roberson	6	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Kathi Stovel	7	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Raymond Avalos	8	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14
Delyce Wensel	9	25.20	.50	.50	50.40	1.00	1.00	50.40	1.00	1.00	55.40	1.00	4.14

	1976			1977			Interest to May 15, 1980	Gross Rebate	Prior Rebate	Net Rebate
	Grand Lodge	Local	Sys. Board	Grand Lodge	Local	Sys. Board				
1	24.96	1.00	4.14	25.63	1.00	1.00	100.99	345.90	21.67	324.23
2	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
3	-	-	-	-	-	-	30.20	86.96	6.63	80.33
4	24.96	1.00	4.14	25.63	1.00	1.00	93.81	325.62	-	325.62
5	-	-	-	-	-	-	30.20	86.96	6.63	80.33
6	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
7	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
8	24.96	1.00	4.14	25.63	1.00	1.00	103.42	352.69	21.67	331.02
9	24.96	1.00	4.14	-	-	-	96.87	318.51	21.67	296.84

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Attorneys for Plaintiffs

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BY DEPUTY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

HOWARD ELLIS, et al.,

Plaintiffs,

v.

BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, et al.,

Defendants.

ALLAN L. FAILS, et al.,

Plaintiffs,

v.

BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, et al.,

Defendants.

Case No. 73-113-N
Consolidated with
Case No. 73-118-N

NOTICE OF
CROSS-APPEAL

TO: Defendants, BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, et al., and their attorneys of record.

NOTICE IS HEREBY GIVEN that Plaintiffs appeal to the United States Court of Appeals for the Ninth Circuit from the Judgment entered in this action on the 9th day of July, 1980.

DATED: August 5, 1980

MICHAEL E. MERRILL
RAYMOND J. LaJEUNESSE, JR.
HUGH L. REILLY
Attorneys for Plaintiffs

By Michael E. Merrill
Michael E. Merrill

PROOF OF SERVICE BY MAIL

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

I am a citizen of the United States and a resident of the county aforesaid. I am over the age of eighteen (18) years and not a party to the within entitled action. My business address is 4420 Hotel Circle Court, Suite 345, San Diego, California, 92108.

On August 5, 1980, I served the within NOTICE OF CROSS APPEAL on the defendants in said action, by placing a true copy thereof in a sealed envelope with postage thereon fully prepaid, in the United States mail at San Diego, California, addressed as follows:

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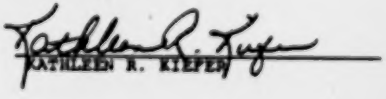
I delcare, under penalty of perjury, that the foregoing is true and correct.

Executed on August 5, 1980 at San Diego, California.



IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

No. 80-5562
80-5603

HOWARD ELLIS, *et al.*,
Plaintiffs-Appellants,
v.
BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYES, *et al.*,
Defendants-Appellees.

ALLEN FAILS, *et al.*,
Plaintiffs-Appellants,
v.
BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYES, *et al.*,
Defendants-Appellees.

On Appeal from the United States District Court for the Southern District of California

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REPLY BRIEF FOR DEFENDANTS-APPELLEES/CROSS-APPELLANTS

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* * * *

[25] 16. Re p. 53, p. 55, alleging that "no union witness has ever attempted to refute" plaintiffs' oft-repeated claim of Union participation in "a money-laundering scheme which illegally channeled funds into the campaigns of union-endorsed political candidates." Defendants have refuted this claim in court papers at least twice (CR 265, p. 4, n.2 and CR 313, p. 39 ¶ 94) as well as in oral argument (RT, Oct. 23, 1978, at 1326). The evidence cited by plaintiffs shows that the transactions to which plaintiffs refer work the opposite of what plaintiffs allege: BRAC gave up political money voluntarily donated to its separate segregated fund in exchange for general funds which are politically restricted and covered by BRAC's political rebate plan. This is obviously both legal and proper.

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